

.	
1	Tuesday, 3 September, 1946
2	
3	
4	INTERNATIONAL MILITARY TRIBUNAL
5	FOR THE FAR EAST
6	Court House of the Tribunal War Ministry Building Tokyo, Japan
7	
8	The Tribunal met, pursuant to adjournment,
9	at 0930.
10	au 0750.
11	
12	
13	
14	Appearances:
15	For the Tribunal, same as before.
	For the Prosecution Section, same as before.
16	For the Defense Section, same as before.
17	
18	
19	
20	(Fuelish to Tomonoso and Tomonoso
21	(English to Japanese and Japanese
22	to English interpretation was made by the
23	Language Section, IMTFE.)
24	
25	

1

10

11

12

15

14

15

16

17

19

20

21

22

23

24

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now in session and ready to hear any matter brought before it.

THE PRESIDENT: All the accused are present except OKAWA, MATSUI, and HIRANUMA, who are represented by counsel. I have further certificate showing the continued illness of HIRANUMA, under the hand of the Medical Superintendent of Sugame Prison. It will be recorded and filed.

Mr. Sutton.

MR. SUTTON: May it please the Tribunal, just before the adjournment on Friday we were offering evidence of atrocities committed by the Japanese troops in Jehol Province.

We next offer in evidence statements showing atrocities committed by Japanese troops in Suiyuan Province in 1940. The prosecution offers its documents Nos. 2078, 2079, 2086, 2087, 2088, 2089, 2090, 2091, 2093 and 2096. These ten statements are with regard to atrocities committed in Suiyuan Province in 1940.

THE PRESIDENT: We have only nine -- at least I have not yet received document 2078. I understand that 2078 was distributed on Friday, although not read.

MR. SUTTON: It was handed to the Clerk, but not formally offered in evidence.

THE PRESIDENT: Well, do not waste any time.

Go ahead and read them. 2078 will be a very brief

document, no doubt.

MR. SUTTON: Yes, sir.

THE PRESIDENT: You had better read them if you are going to do so.

MR. SUTTON: Yes, sir. May they receive exhibit numbers?

THE PRESIDENT: They are admitted on the usual terms.

No. 2078 will receive exhibit No. 361; document No. 2079 will receive exhibit No. 362; document No. 2086 will receive exhibit No. 363; document No. 2087 will receive exhibit No. 364; document 2088 will receive exhibit No. 365; document No. 2089 will receive exhibit No. 366; document No. 2089 will receive exhibit No. 366; document No. 2090 will receive exhibit No. 367; document No. 2091 will receive exhibit No. 368; document No. 2093 will receive exhibit No. 369; and document No. 2096 will receive exhibit No. 369; and document No. 2096 will receive exhibit No. 370.

(Whereupon, prosecution's exhibits
Nos. 361 to 370 inclusive were received in

()

evidence.)

THE PRESIDENT: We have now received document No. 2078, being exhibit 361.

to have a correction made.

Dr. KIYOSE.

S

.

DR. KIYOSE: In document No. 2078 the name of the Japanese Commander in the English text is given as General MITSUKAWA, Teisuke; while in the Japanese text it is given as MITSUKAWA, Yori-o. I should like

MR. SUTTON: I am informed by my associate from China that the word in this document which now reads "T-e-i-s-u-k-e" should read "Y-e-r-i" hyphen "o."

In connection with these documents I deem it necessary only to state that they give evidences of four instances of looting and burning by Japanese troops and six instances of murder of civilians by Japanese troops in Suiyuan Province. I shall read only one paragraph from the last document tendered, exhibit 370.

(Reading): "On 3 February 1940, five

Japanese soldiers of the 13th Regiment of the 26th

Division under the command of KUYODA Jutoku, went

to the home of CHIA Jen. They asked him for pretty

women. He failed to find any, thereupon the Japanese
seldiers killed him by beating him all over with a

red-hot spade."

1.

1.

The prosecution has hithertofore offered evidence from Yunan Province in the person of G. J. Hsu, who testified on 29 July 1946, record page 2619.

The prosecution next offers in evidence its document No. 1700, which consists of three charts prepared by the Ministry of Judicial Administration of the Republic of China. These charts show the types of crimes; in chart I, 678 cases prepared for trial by the Far-Eastern and Pacific Sub-Commission of the United Nations War Crimes Commission.

THE PRESIDENT: It is a list of alleged war crimes, and the type of crime is not shown in any case.

MR. SUTTON: The key to the chart, may it please the Tribunal, appears on the first page, and I will, if the document is admitted, explain to the Court the manner in which the chart appears to have been prepared.

THE PRESIDENT: Have these crimes been prosecuted to conviction?

MR. SUTTON: They have not been all prosecuted to conviction. They are in the process of trial at the present time. They are cases which were investigated and sent on for trial by the Far-Eastern and

Pacific Sub-Commission of the United Nations War Crimes Commission.

THE PRESIDENT: Well, the charts refer to page 1, which does indicate the type of crime.

Yes, Mr. Logan.

MR. LOGAN: If the Tribunal please, we object to the introduction of this chart as having no probative value, and it is not competent evidence of any of the material contained therein.

THE PRESIDENT: The Tribunal thinks that it has no probative value. The objection is upheld.

No. 1700 will be marked exhibit No. 371 for identification only.

(Whereupon, the document above referred to was marked prosecution exhibit
No. 371 for identification.)

MR. SUTTON: May it please the Tribunal, chart III, I beg your pardon, chart II shows the number of cases which have been officially reported by governmental institutions in the Republic of China from August, 1945, to March, 1946, prepared by the Ministry of Judicial Administration of the Republic of China.

THE PRESIDENT: You might as well ask us

to treat our own proceedings as evidence of war crimes.

MR. SUTTON: It was the purpose of this evidence to show, in brief, the distribution of the alleged atrocities throughout the Republic of China both as to time of occurrence and as to the place where they are alleged to have occurred.

THE PRESIDENT: Mere charges are never evidences of a crime. It would never do for the world to think that we were acting on evidence like this, would it, alleged evidence? You should not tender it.

MR. SUTTON: May it please the Tribunal, this completes the evidence for the prosecution on the subject of atrocities committed by Japanese troops against civilians and others in China, evidence offered to show that the commission of these acts constituted the Japanese pattern of warfare.

We next present the remainder of the evidence on the subject of the opium and narcotics trade as sponsored by the Japanese in occupied territory in China. Some evidence on this subject has already been introduced. We refer especially to the testimony of Dr. M. S. Bates, 29 July, record page 2624; Peter J. Lawless, 29 July, record page 2676; and Harold Frank Gill, 28 August, record page 4407.

19 20 21

2

3

8

9

10

11

12

15

14

15

16

17

18

22

23

24

May I present to the Tribunal at this time one of my associates in this phase of the case,
Mr. Arthur A. Sandusky, a member of the Bar of Wyoming,
Assistant Prosecutor of the International Prosecution
Section, who will offer the next evidence.

THE PRESIDENT: Mr. Sandusky.

MR. SANDUSKY: Your Honor, in opening the main presentation of evidence in the phase of the case dealing with opium and narcotics, I wish to indicate the pertinence of three documents introduced at the outset of the trial and catalogued before the Tribunal as exhibits 17, 18, and 19. The documents are respectively: The International Conventions on Opium and Narcotics of 1913, 1925, and 1931, each of which was ratified by Japan. In order to give fuller meaning to the evidence which is to follow, and particularly, in order to show clearly that Japan together with all the other ratifying powers undertook special responsibilities with respect to the drug traffic in China, I ask permission of the Tribunal to quote very briefly from the 1913 Convention and final Protocol on Suppression of the Abuse of Opium and Other Drugs, prosecution document 191.

2-1

23

1

2

3

5

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

nd 1 o r 2 s s s 4

MR. SANDUSKY: Your Honor, this document is in evidence as exhibit 17.

(Reading) "Article 15 of the 1913 Conven-

t'rn.

"The Contracting Powers having treaties with China (Treaty Powers) shall take, on concert with the Chinese Government, the measures necessary for the prevention of the smuggling, as well with respect to Chinese territory as with respect to their colonies in the Far East and the leased territories which they occupy in China, of raw and prepared opium, morphine, cocaine and their respective salts, as well as of the substances indicated in article 14 of the present Convention. On its side the Chinese Government shall take analogous measures for the suppression of the smuggling of opium and the other substances hereinbefore indicated, from China to foreign colonies and leased territories.

"Article 16.

"The Chinese Government shall promulgate
pharmacy laws for its subjects, regulating the sale
and distribution of morphine, cocaine and their
respective salts and of the substances indicated in
article 14 of the present Convention, and shall communicate these laws to the Governments having treaties

with China, through the intermediary of their diplomatic representatives at Pekin. The Contracting
Powers having treaties with China shall examine these
laws, and, if they find them acceptable, shall take the
necessary measures to the end that they be applied to
their nationals residing in China.

"Article 17.

"The Contracting Powers having treaties with China shall undertake to adopt the measures necessary for the restraint and control of the opium-smoking habit in their leased territories, *settlement* and concessions in China, for the suppression of pari passu with the Chinese Government of the opium divans or similar establishments which may still exist there, and for the prohibition of the use of opium in houses of amusement and of prostitution.

"Article 18.

"The Contracting Powers having treaties with China shall take effective measures for the gradual reduction, pari passu with the effective measures which the Chinese Government shall take to the same end, of the number of shops, intended for the sale of raw and prepared opium, which may still exist in their leased territories, settlements and concessions in China. They shall adopt efficacious measures for the

Ď

S

2.2

restraint and control of the retail trade in opium in the leased territories, settlements and concessions, unless existing measures have already regulated the matter."

For the purpose of showing that Japan was aware that the other nations had looked to be for the control of the retail trade in opium in the leased to be settlements and concessions, unless existing measures have already regulated to be matter."

aware that the other nations had looked to her for action, rather than to the so-called /utonomous Regimes set up in China, I wish to quote the reply of the United States Government to a League of Nations circular which appears in prosecution's document 9559. This document is the Minutes of the Twenty-Fifth Session of the League of Nations Advisory Committee on Traffic in Opium and other Dangerous Drugs, May, 1940.

23...

I now offer document 9559 in evidence and ask leave to quote the cited portion.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 9559 will receive exhibit No. 372.

(Whereupon, the document above referred to was marked prosecution's exhibit No. 372 and received in evidence.)

MR. SANDUSKY: Quoting from page 4 of the document: (Reading)

"The <u>United States</u> Government, in its reply of May 15th, 1939, received on June 1st. 1939, makes

1 the following statement: " which continues on page 5 of the document: "The Government of the United States observes that the Japanese Government, after admitting the importation of large quantities of opium of high morphine content into areas of China under control of its 7 military forces, endeavours to justify such importas tions as technically permissible under the International 9 Drug Conventions, presumably as a basis for refraining 10 from prosecuting or interfering with the Japanese whe 11 are concerned in thus building up this serious menace 12 to the rest of the world. The Government of the United 13 States holds that the Japanese Government shares with 14 the American Government and with other governments the 15 well-recognised obligations under the International 16 Drug Conventions to control the production and distri-17 bution of raw opium, to render effective the limitation 18 of manufacture of narcotic drugs to the world's 19 legitimate requirements for medical and scientific 20 purposes, to use its efforts to control or to cause 21 to be controlled all those who manufacture, import, 22 sell, distribute and export narcotic drugs, and to 23 co-operate in other ways provided for in those Conven-24 tions. The actions in reference to nercotic drugs of

the regimes which have been established in those areas of China controlled by Japanese military forces cannot be regarded as limiting the manufacture or controlling the distribution of narcotic drugs."

May it please the Tribunal, the proof of the charges outlined in Judge Hsiang's opening statement will be made in large measure through the submission of official United States Government reports of investigation of opium and narcotic conditions in China and the Fer East. Although the official character of such reports appear on the face of the documents, it may be helpful to the Tribunal as background to receive evidence that investigations by representatives of the United States Treasury Department and State Department were conducted over a period of years as a part of the United States Government's program to combat the smuggling of opium and narcotics into the United States. For that purpose we offer in evidence document No. 9568.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 9568 will receive exhibit No. 373.

("hereupon, the document above referred to was marked prosecution's exhibit No. 373 and received in evidence.)

MR. SAN DUSKY: This document is a letter from the Assistant Secretary of the United States Treasury Department to the Commissioner of Customs, dated October 20, 1934, and reads as follows: (Reading)

"I have to refer to the report of Treasury Attache Nicholson at Shanghai submitted with memorandum from Deputy Commissioner Gorman under date of August 17, 1934.

"This report represents by far the most comprehensive survey which has come to the attention of the Treasury Department regarding the present opium situation in China.

"The Commissioner of Narcotics desires to join me in commending Mr. Nicholson for this excellent piece of work, which he regards as of inestimable value for forging a plan of attacking the situation. All of Mr. Nicholson's recommendations will receive careful consideration.

> "Very truly yours, (Signed) "Stephen B. Gibbons." "Assistant Secretary."

The memorandum attached from the Deputy Commissioner to the Assistant Secretary Gibbons, dated August 17, 1934, reads as follows: (Reading) "The attached report of the Treasury !ttache

25

2

3

5

8

0

10

11

12

13

14

15

16

17

18

19

20

21

23

23

2-1

at Shanghai is the result of a very intensive survey made by him of present narcotic conditions in the Orient, - and is the outcome of the conference which was held in your office last December, at which representatives of the State Department, Labor Department, and the Bureaus of Narcotics and Customs were in attendance.

"The Attache's report, while rather lengthy,
warrants close perusal, for it presents a very clear
picture of the narcotic situation in the Orient from
all angles, especially in so far as the degree of
cooperation we may expect from Japanese officials in
keeping the contraband out of this country is concerned.
It is the most comprehensive report on opium conditions
in the Far East that has ever come to my attention.

"I would suggest that copies of Mr. Nicholson's report be furnished the State Department and the Commissioner of Narcotics, and after they have gone over it that you call another conference for the purpose of passing upon the recommendations submitted by Mr. Nicholson, set forth in the concluding pages of his report.

(Signed) Thomas J. Gorman."

MR. SMITH: If your Honor please, I move to

S

1.1

strike out the document just read on the ground it has no probative value at all.

THE PRESIDENT: The objection is overruled.

MR. SANDUSKY: The Tribunal will recall it was necessary several weeks ago to depart from the regular presentation to hear evidence from witnesses who were obliged to return to China. Among such witnesses was Dr. M. S.Bates, whose testimony regarding opium and narcotics begins at page 2648 of the transcript. So that the record may reflect the continuity of the original plan, it seems pertinent to indicate to the Tribunal that Dr. Bate's testimony was originally scheduled for presentation at this point.

THE PRESIDENT: This is the tying-in that we asked you to do and this appears to be a most effective way of doing it.

MR. SANDUSKY: Yes, sir. It was desired at that outset of the presentation of this case to acquaint the Tribunal with the secretive nature of opium and narcotics traffic, even though it had the color of legality under the existing regimes in China.

THE PRESIDENT: Well, you are tendering another document, are you?

MR. SANDUSKY: Yes, sir, in a moment I wish to introduce another document.

THE PRESIDENT: This is 9525 P-1?

LR. SANDUSKY: Yes, sir.

7 1

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Document No. 9525 will receive exhibit No. 374.

(Whereupon, the document above referred to was marked prosecution's exhibit No. 374 and received in evidence.)

THE PRESIDENT: P-1 to F-11 inclusive.

would like to indicate at this point that we have endeavored to arrange the evidence in both chronological and geographical patterns, and we will first take up the opium and narcotic situation in Manchuria, which is dealt with in document 9525. There was attached to this document and to other documents of similar type transmittal letters from the Secretary of the Treasury and the Secretary of State, and so on, showing the departmental channels through which the report traveled. With the permission of the Tribunal I shall note them but not read them.

THE PRESIDENT: The Tribunal commends that course in all similar cases.

1

7

8

9

10

11

12

15

14

15

16

17

18

19

21

Mk. SANDUSKY: I turn then to the report itself, on page 3 of the document, which is also page 3 of the Japanese document. (Reading)

"Commissioner of Customs, Division of Customs Agents, Washington, D.C. Re: Drug Conditions in Liaoning, Manchukuo.

"Sir: The drug situation in the Provinces of Liaoning (Manchukuo) has almost completely changed during the past few years from opium smoking to the use of opium derivatives in the form of Morphine and Heroin."

Continuing at the third sentence of the first full paragraph on page 4, which is page 3 of the Japanese copy. (Reading) "This report will try to describe the actual conditions of the 'Triangle Region' of Liaoning as revealed by special investigation by our agent in Manchuria.

- "(1) The first period (From October 1931 to March 1933).
- "(..) Opium Conditions in Antung, Fengcheng. Sin-Yen - Chuan-ho.

"Antung had been a very important opium center for many years, where it was confined to the

Japanese concession. After the Manchurian Incident, opium dens were opened on all the leading streets of the city such as Chien-Hon Tsupao Street, Chang-fu Street, Lin tao kao, etc. lost of the opium dens employed young girls to serve as waitresses and these houses soon became centers of social intercourse, especially among the business men and officials. Opium used by these smoking dens is mostly Korean Opium from Sin Yee Chow and Maliangtung which is considered to be better than Jehol Opium. Korean Opium costs about 10 \$3.50 per tabl and is usually cooked with preserved 11 opium ash and narcotic drugs. In this condition each 12 tael of opium is divided into 70 doses and sold at 13 30¢ per dose, thus making almost 600% profit. It has 14 been found, from an opium den in Chitaokao, that over \$400.00 worth of this prepared opium is usually 16 17 sold per day. "aith regal to the number of opium dens in 18 Antung, no more than twenty private smoking dens 19 20 existed in the Chinese City before the Manchurian Incident, while in the Japanese concession over five 21 22 hundred were kept operating. In July 1932, over 23 eighty registered dens had been established in the Chinese City, and the number grew to one hundred forty-24 five in the spring of 1933. The number of opium dens 25

in the Japanese Concession increased to six hundred eighty-four during this period. The population of 2 Antung hsien district numbers about 260,000 with half 3 of this population living in the city. At present 4 among the 130,000 people living in the city, over 5 20,000 have become opium and narcotic addicts. Each addict consumes three chiens (3/10 tael) of opium 7 per day. The total amount of opium consumed in a year would be approximately 2,160,000 taels, at a cost of at least \$6,480,000.00, calculated at \$3.00 10 per tael. The conditions in the rural districts re-11 main practically the same as before as they continued 12 13 under the control of Chinese volunteers who discourage illicit traffic in and smoking of opium. Since 14 January 1933, however, the Chinese volunteers have 15 been gradually scattered to other places and the use 16 17 of opium has been introduced in public so that now 18 there are over one hundred opium dens throughout Ta 19 Tung Kao and other villages. The number of drug 20 addicts has likewise increased to about 15% of the 21 population." 22 Next I turn to the first paragraph of page 23 6, which is page 7 of the Japanese copy. (Reading) 24 "During this period, over 80,000 persons, out of a population of 900,000 in these four hsiens, 25

```
have been addicted to the use of opium. On an average,
    one addict requires three chiens of opium a day.
    Therefore, the total amount of opium consumed in a
3
   year would be over 8,640,000 taels (Tael 1 1/3 oz.)
   and the money wasted would be around $25,000,000.00
    (calculated at $3.00 per tael.)"
            Next to the last paragraph on page 7, which
   is page 10 of the Japanese copy. (Reading)
             "Narcotic Conditions in Antung Fencheng. Sin-
9
   Yen. Chwangho. The First Period (From October 1931
   to March 1933.) Antung. Before the Manchurian In-
11
   cident, the scourge of morphine was only menacing
   Antung on a small scale, as it was sold secretly only
   in the Japanese Concession. The Chinese authorities
14
   enforced strict suppression measures to cope with
15
   this growing evil and their endeavor met with con-
16
   siderable success at that time. But after Japan
17
   annexed Manchuria, conditions changed tremendously.
18
   Japanese and Korean ronins (hoodlums) utilizing their
19
   political influence openly imported morphine and
20
   other narcotics into this district from drug factories
   situated at Gin-Yee-Chow on the eastern bank of Yalu
   River. They also established wholesale headquarters
23
24 at Chi-tao-kao. Japanese and Korean houses of pro-
   stitution are being used as distribution agencies.
```

Pawn Shops, likewise, are being utilized for this purpose. Poor addicts, who are in need of narcotics drugs to satisfy their craving, may exchange their clothing or other belongings for narcotics in these shops. As a result of this practice, all pawn shops in this district are engaged in the distribution of narcotics as a side line. Besides this, local racketeers, Chinese traitors employed by Japanese and other undesirable and desperate characters have been encouraged by the drug traffickers to engage in distributing drugs as a good source of income.

"Consequently, up to the first part of 1932, the whole haien district had been fully menaced by this illicit trade. Our investigation shows that the amount of morphine exported by a Japanese agency near the Tsujiyama Seimaisho to the several haien districts in the eastern side of Antung is no less than 200 lbs. a day. This does not include the amount sold in Antung city. It is estimated that the number of people addicted to morphine including those who have taken morphine as a substitute for opium is no less than 10,000 in this city alone. There are at least 5,000 more in the rural districts such as Langtao, and others. If, for example, an addict required only one

```
injection of morphine a day, at a cost of 20 cents per
2 head, the total amount of money spent in this connection
3 Would exceed $1,000,000.00 per annum."
 4 .
 5
 9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

Walen & Duda

1

3

4

5

6

0

10

11

12

13

14

15

16

17

13

19

20

21

22

23

24

25

MR. SANDUSKY: Next I would read from the first full paragraph of page 9, which is page 13 of the Japanese copy.

(Reading) "Taking these four haien districts together - - - there are 60,000 people addicted to morphine, whose annual expenses in this connection amounts to \$4,300,000.00.

"With regard to heroin conditions in these districts, the problem is comparatively a new one. It was used secretly and only on a small scale before the Manchurian Incident. The use was limited to the city and the country villages along the railway line. But after the 'war', this evil affected the rural districts as well. Furthermore, owing to the fact that the illicit use of heroin has been prevalent among the Manchukuo soldiers, the increased military activities following the Sino-Japanese troubles have made it necessary for an increased supply of this drug. Consequently, people in these places have been affected and have been led to use it as opium substitute. The condition in Antung is most serious, while Fengcheng and Chwangho come next. Sin-Yen is the least affected region. distribution of this drug is handled mostly by opium dens, morphine joints, and opium retail shops in these districts."

Skipping the next sentence: "It is very difficult to make a reliable estimate of the number of addicts who require habitual use of this drug, for most of them are classified as opium smokers. They have changed over to this drug simply as substitute for opium. But it is safe to say that the use of this drug is on the increase.

"During this first period, it is estimated that there are at least 130,000 people out of the total population of 900,000 in these four hsiens addicted to narcotic drugs. The total amount of money spent in this connection is no less than \$9,000,000.00 a year."

With the permission of the Tribunal, I shall defer reading remaining selected portions of this document until a short time hence when they may be read in connection with other documents relating to the same time period.

THE PRESIDENT: That will preserve the logical sequence, will it?

MR. SANDUSKY: Yes, sir. Again, if it please the Tribunal, in the interest of narrative continuity, I wish to invite attention to a fact already in evidence that will serve as background for the next document to be introduced. I refer to a statement in document 613, which is in evidence as exhibit 227, which was a telegram from the Chief of Staff of the Kwantung

T

Army to the Vice-Minister of War, dated June 4, 1932, which appears at page 2844 of the transcript. In view of the relevancy of this statement to the establishment of an opium monopoly in Manchukuo, I respectfully request permission to quote a short paragraph from the transcript of record at page 2838.

THE PRESIDENT: Well, it is not a good thing to quote the record in the record, but just try it out, see what it is like on this occasion. It might save a lot of trouble for the Members of the Tribunal,

is now confronted with a great difficulty in realizing the revenues of 64 million yuan which had been originally estimated at the tile of the founding of the State, on account of difficulties in maintaining peace and order. Since this amount included custom revenues of 19 million yuan and Opium Monopoly revenues of about 10 million yuan, Manchukuo would find herself in a sad plight with estimated expenditures of 93 million yuan, unless these two items are speedily dealt with so as to raise revenues."

THE PRESIDENT: Who made that statement?

MR. SANDUSKY: That is the telegram from the

Chief of Staff of the Kwantung Army to the War Minister.

For the purpose of showing what was done in

G

line with that advice from the Chief of Staff of the Kwantung Army, we next offer in evidence document 2173. 2 THE PRESIDENT: That is admitted on the usual 3 terms. 4 DEPUTY CLERK OF THE COURT: Prosecution's 5 document No. 2173 will receive exhibit No. 375. 6 (Whereupon, the document above re-7 ferred to was marked prosecution's exhibit No. 375, and was received in evidence.) 9 MR. SANDUSKY: This document is the contract 10 for underwriting the subscription of the Manchukuo 11 Government's National Founding Bonds. 12 Attached to this document is a certificate of 13 source from the Industrial Bank of Japan, Limited, 14 which reads as follows: 15 "Tokyo, August 15, 1946. To International 16 17 Prosecution Section. "We herewith certify the following documents 18 were submitted by the Industrial Bank of Japan to 19 your office through the finance ministry, Japanese 20 Government on June 12th 1946. 21 "1. Underwriting contract for the Manchurian 22 Government Construction Bond. (copy) 23 "2. Kyorei No. 109. Construction Bond Act. 24 Inrei No. 17. Regulation for issuing of the 25

Construction Bond. Signed Kenji ITO, Governor, The Industrial Bank of Japan."

Reading the document proper: "Contract for Underwriting the Subscription of the Manchukuo Government's National Founding.

The Manchukuo Government (hereinafter referred to simply as A) conclude the following contract, for the underwriting of the subscription of ¥ 30,000,000 of Japanese currency National Founding Bonds to be issued by the Manchukuo Government, with the Industrial Bank of Japan (hereafter referred to simply as B), which represents the Industrial Bank of Japan, Yokohama Specie Bank, Ltd., the Bank of Chosen, Dai-Ichi Bank, Ltd., Mitsui Bank, Ltd., Mitsubishi Bank, Ltd., Yasuda Bank, Ltd., Kawasaki One Hundredth Bank, Ltd., the Thirtyfourth Bank, Ltd., Sumitomo Bank, Ltd., the Nagoya Bank, Ltd., the Yamaguchi Bank, Ltd., the Nagoya Bank, Ltd., the Aichi Bank, Ltd., the Mitsui Trust Co., Ltd., the Mitsubishi Trust Co., Ltd., the Yasuda Trust Co., Ltd., and the Sumitomo Trust Co., Ltd.

"Article 1. A shall issue in Japan, in accordance with the following essential points the total value of ¥ 30,000,000 of the National Founding Bonds, based on the regulations for the National Founding Bonds regulation promulgated on November 16, 1932; and B shall

underwrite the subscriptions of their whole amount." Next, Article 4 on page 2. With the permission of the Tribunal, I shall read only pertinent por-3 tions. Article 4, page 2. "These bonds shall be secured by the profits of the opium monopoly office and the Kirin-Heilung-Kiang Transport Toll Office. The principal and interest shall be paid preferentially from the monopoly profits. 10 Next to Article 9 on page 3: 11 "In regard to these bonds, the Regulations of 12 the Manchukuo National Founding Bonds promulgated on November 16, 1932 and the Ordinance of Manchukuo State Affairs Board promulgated on November 19, 1932 also 15 shall be applied in addition to the preceding articles. 16 "In witness of this contract, this document 17 has been drawn up in duplicate in the Japanese language 18 and duly signed by the representatives of A and B. The 19 original copy is held by B and the duplicate copy by A. 20 "Date: November 19, 1932. 21 "The Representatives of the Manchukuo Govern-22 ment. Director of General Affairs of the Finance Depart-23 Naoki HOSHINO (signed). The Vice-Governor of ment. 24 the Central Bank of Manchou, Kyokoku YAMANARI (signed). 25 "The representative of aforesaid banks and

trust companies. Industrial Bank of Japan, Ltc. Governor Toyotaro YUKI (signed)."

It is to be noted for the record, your Honor, that the name Nacki HOSHINO mentioned in this document is the defendant in this case.

We next offer in evidence without reading, document which contains the Bond Act and regulations referred to in Article 1 of the loan contract just read.

THE PRESIDENT: Admitted on the usual terms. DEPUTY CLERK OF THE COURT: Prosecution's document No. 2120 will receive exhibit No. 376.

(Whereupon, the document above referred to was marked prosecution's exhibit No. 376, and was received in evidence.)

MR. SANDUSKY: The prosecution now offers document 9524-B, which is a certificate from the United States Treasury Department identifying document 9524. The original signed certificate is physically attached to document 9524, which is the report of the Treasury Attache at Shanghai.

THE PRESIDENT: The report and the certificate are admitted as one document, on the usual terms.

DEPUTY CLERK OF THE COURT: Prosecution's documents 9524 and 9524-B will receive jointly exhibit

24

1

11

12

13

14

15

16

17

13

10

20

22

25

No. 377. (Whereupon, the documents above referred to were marked prosecution's exhibit No. 377, and were received in evidence.) THE PRESIDENT: This is a convenient break. We will recess now for fifteen minutes. (Whereupon, at 1045, a recess was taken until 1100, after which the proceedings were resumed as follows:) 10.

Greenberg & Barton

LD

11

12

13

11

13

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed.

THE PRESIDENT: Mr. Sandusky.

MR. SANDUSKY: Document 9524-B, exhibit No. 377, is a certificate from the Secretary of the Treasury attesting to document No. 9524.

Reading from the marked portion of the document No. 9524 on page 6:

"News of the opening of opium-retail shops ampear daily in various newspapers in Manchuria.

A few instances are given below.

"Tung-Feng Hsien

"By order of the Provincial Bureau the police authority of Tung-Feng Hsien has appointed Shi Chien-Yi, Wang Lan-feng, Yo Yin-Kuo, and others to be official opium retailers for the first period. 'Since they have already paid the necessary deposit for the permit and completed the organization as instructed and as their agencies are well capitalized, it is believed that their business will have a great future', declared the police headcuarters in its public notification. It is understood that additional permits will be issued for retailers of the 2nd and 3rd periods very soon.

28

26

"According to order No. 26 issued by the Provincial Branch Bureau to Chang-tso Hsien, Wang Hsien-Chang, residing in the West Street of the City has been appointed opium retailer and is also granted the right to open a retail agency. The inauguration of the agency was attended by a big gathering who came to offer congratulations to the agency."

Turning next to page 11 as indicated on the document:

"There are about forty opium agencies in Kirin City, each selling about \$200.00 a day making a total of approximately \$8,000.00. In Harbin the daily receipts from the opium agencies there amount to about \$16,000.00 a day, in Changehun about \$10,000.00 is received by the sixty opium shops there. In the provincial capitals of Hsin-an, Jahol and Helungkiang each receives about \$10,000.00 a day. The grand total receipts from the sale of opium in these big cities amount to nearly \$50,000.00 a day.

"According to an official report issued by the Manchukuo Ministry of Interior, out of the 30,000,000 people in Manchuria over 9,000,000 are habitual opium smokers, i. e., about one-third of the total population. Of this number 13% are below fifteen years of age, 23% below 25 years of age and 33% are below thirty years of age. Each addict requires about an average of four chien (4/10 laing) of opium a day and the total will be about (292,500 lbs. avoirdupois). The cost of one chien (1/10 liang) of opium is about forty cents. The total consumption will

exceed \$500,000,000.00 a year.

2

3

4

6

8

9

10.

11

12

14

15

16:

17

13

19

20

21

22

23

24

25

MUKDEN

"Since September 18th, inst., many opium shops were opened in the City of Mukden, such as Sung-Mao, San-Yi, Yung-Yi Yung Shong, Yung-Taing by the Japanese. Since March of last year most of the Japanese shops doing purely commercial business were converted into opium shops. total number amounted to over 600: besides providing opium smoking, they also sell opium and other narcotics. Outside of the city of Mukden in Ta-Si-Kuan, Siao-Si-Kuan, Kung-Yeh-Chu, Kung-Fu-Shi, and South and North markets we find over 150 opium shops, of these shops 50% are run by Koreans, 40% by Japanese, and 10% by Chinese. The situation is even more sorious in the Japanese Concession and the South Manchurian Railway region. Each opium shop operated by Chinese must employ at a wage of from Yen 2.00 to Yen 3.00 per day at least one or two Japanese or Korean to guard against any possible trouble. By so doing these shops are given the privilege to hoist the Japanese flag.

"Since the second week of May, 1933, most of the opium snoking dens, in order to

entertain their patrons, engaged girls to wait upon the smokers. With the introduction of this system the business increased three times.

Situation in Harbin.

"Since the occupation of Harbin by the Japanese, over 500 opium shops have been opened in the district of Kitasky Street and Ta-Cheng Street. The number surpasses that of all the other shops in other districts combined. Opium was formerly smuggled in from the lower parts of the Sungari and Sui-feng river, but since the Japanese occupation, opium must be imported from Changchun. In order to guard against robbery and losses, Japanese soldiers are usually employed to protect the transportation of the opium.

"Weitresses are also employed in Harbin for the entertainment of smakers. In Harbin, there being more than 1,000 smaking dens, each den employs several girls, each girl receives as her daily wage from Y.1.50 to Y.3.00, besides tips, which total from Y. 8.00 to Y.20.00 per day.

"There are over 900 smcking dens in the city of Kirin, over 500 in the city of Heilung-kiang; in Antong and Yingkow, each place has from 4-500 dens. All these shops are registered

/

with the Manchukuc Opium Monopoly Bureau. A
license fee for a shop cost Y. 500.00; whatever amount of opium sold, must be bought from
the Opium Monopoly Bureau at Y. 0.60 per liang.

"The waitresses in these sacking dens
are nothing but prostitutes in disguise. As a
result of the working of this system, young men
between 20-30 years of age have become regular

"The budget of the Manchukuc government estimates a revenue of Y. 5,000,000.00 from the receipts of Opium Manapaly for the first year.

The total amount of amount sold by the Opium Manapaly Bureau amounted to Y. 33,000,000.00."

customers of these dens.

May I return again to document No. 9525, in evidence as exhibit 374, which reads: Conditions during the second period covered by the investigation. The report of this period begins with the second paragraph on page 6, which is page 7 of the Japanese copy, reading, "The Second Period - (From April 1933 to December 1934)."

"Opium Conditions in Antung, Pengchang Sin-Yen Chwangho

"Antung. During the first part of 1933, an order was issued by the Manchukua authorities designed to encourage the farmers in the cultivation of the opium poppy. This order was met with widespread response as the farmers were attracted by the large profit that could be realized through the cultivation of this product. During the autumn of the same year, the Japanese and Manchukua arries were engaged in a carpaign directed against the Chinese volunteers in the various rural districts. Japanese and Korean drug traffickors followed the Japanese armies into these villages and started opium snoking dens in all these places. As a result of creating new provinces in Manchukua, which

made Antung an important political center, the population of this city increased rapidly. More opium dens were established and waitresses were employed to serve the smokers as a means of helping the business. The Customs Superintendent's Office of the old Chinese Government in Antung has been utilized to house the Opium Monopoly Bureau of this province. Opium dens in the Japanese Concession increased to eight hundred sixty, while those in the Native City jumped to three hundred forty-six. Out of the total population of 160,000, over 40,000 addicts have been found in Antung, that is, no less than 25% of the people of this city are opium addicts. At the same time about 25,000 people out of a total population of 150,000 in the 49 adjacent villages have also been addicted to opium. Estimating the amount of opium consumed on the basis of three chiens per head per day, no less than 7,000,000 taels of opium are consumed in this area per annum at a cost of over \$19,000,000.00"

7

9

10

11

12

13

14

15

16

17

23

22

24

I continue with the last paragraph on page 9, which is page 15 of the Japanese copy.

THE PRESIDENT: No page 9 here with any substance. Page 9 -- wait, I have it.

MR. SANDUSKY: (Reading)

"NARCOTIC CONDITIONS DURING THE SECOND PERIOD.

"(April 1933 to December 1934).

"Antung. After September 1933, the evil of morphine grew rapidly following the military activities of Manchukuo and Japanese armies in their campaign against the Chinese volunteer armies. Furthermore, due to the migration of large numbers of Koreans into this region, who have no definite work except the distribution of narcotic drugs, the scourge of this evil naturally became very widespread. Most recently the number of drug addicts have grown to more than 30,000 persons, whose total expenses a year is estimated to be more than \$2,160,000.00."

Turning now to conclusions regarding the second period in the last three paragraphs on page 10, which is page 17 of the Japanese copy:

"During this period over 140,000 people have been addicted to morphine in these four hsien districts and their total expenditure for a whole year is conservatively estimated to be about \$10,800,000.00.

these places, the situation is not so serious as the morphine traffic but the habitual use of this drug as a substitute for opium is on the increase especially in the cities. But judging from the rapid growth of morphine consumption, heroin will also be a popular evil in no more than two years time.

in these four haien districts has increased to slightly over a million and the number of opium and narcotic addicts has also grown to nearly 340,000; that
is about one third of the total population. The
total amount of money wasted in opium, morphine and
heroin will be approximately \$80,000,000.00 a year.
This statement may appear to be exaggerated to people
outside of Manchuria, but to those who have seen the
conditions with their own eyes and to those who know

the purpose for which Japanese carry out thoir narcotic policy will agree with the above estimate. Respectfully," M. R. Nicholson (Signed) Treasury Attache."

The prosecution next offers in evidence document 9510, which is a report from the Treasury Attache at Shanghai, dated April 1, 1935. THE PRESIDENT: Admitted on the usual terms. CLERK OF THE COURT: Prosecution's document No. 9510 will receive exhibit No. 378. 8 (Whereupon, prosecution's exhibit 9 No. 378 was received in evidence.) 10 MR. SANDUSKY: (Reading) 11 "SHANGHAI, CHINA 12 "April 1, 1935. 13 "Commissioner of Customs, 14 Division of Customs Agents, 15 Washington, D. C. 16 "Ro - Japane e Loans to encourage 17 Poppy Cultivation in Jehol. 18 "Sir: 19 "For those farmers who were engaged in the 20 production of foodstuffs, a loan of thirty cents per 21 mow of land was made at 7% interest per annum. 22 for those who cultivated poppy a loan of \$2.00 per 23 mow of land was made at 2.3% interest per annum. At 24 the same time, poppy tax which was assessed at \$10.00 25 to \$20.00 per mow of opium during General Tang Yuling's regime, was reduced to \$5.00 per mow. Consequently the farmers who wished to make higher loans and pay less interest, all resorted to the cultivation of poppy.

"The amounts of small loans made by the Japanese to the farmers for the encouragement of poppy cultivation in the various hsien districts of Jehol in 1934 were as follows:="

There follows a chart showing the hsien breakdown, a total of the fourteen hsiens of \$1,410,000.00:

"Many farmers, who anticipated considerable profit from the cultivation of poppy, found that, owing to the compulsory order requiring them to sell their opium exclusively to the Japanese Dai-Man Co., at a fixed price which was mugh below market value, they were unable to make any profit at all. After the harvest, many of the farmers could not repay their loans and their lands were confiscated by the Japanese.

"Respectfully
(Signed) M. R. Nicholson
"Treasury Attache"

1:

1 We next offer in evidence document 9528 2 which is a report from the American Consulate 3 General in Mukden, October 31, 1936. 4 THE PRESIDENT: Admitted on the usual 5 terms. 6 CLERK OF THE COURT: Prosecution's document 7 No. 9528 will receive exhibit No. 379. 8 (Whereupon, prosecution's exhibit 9 No. 379 was received in evidence.) 10 MR. SANDUSKY: (Reading) 11 "AMFRICAN CONSULATE GENERAL, 12 "Mukden, Manchuria, October 13, 1936. 13 "CONFIDENTIAL - For Staff Use Only. 14 "SUBJECT: Recent Narcotic Observations. 15 "The Honorable 16 17 "Nelson Trusler Johnson, 13 "American Ambassador, 19 "Peiping, China. 20 "Sir: "I have the honor to transmit herewith a 21 translation of an announcement issued by the Opium 22 23 Monopoly Bureau concerning the authorized poppy 24 cultivation areas for 1937. 25 "It will be remarked that the total area

in 'Manchukuo' officially designated for legal poppy cultivation exceeds by 150,000 mou (roughly 25,000 acros) that of last year. There are no indications that illicit cultivation has in any way been checked.

"The regulations governing opium retailers, in the light of the following paragraphs, would seem to be no better than whitening on the sepulcher.

"Mr. B. M. Thompson, Special Assistant to the Secretary of the United States Treasury, visited Mukden on October 27 and 28. During his stay here he asked to be shown such narcotic activities as might be visited without criticism from the local authorities. A member of my staff accompanied him on October 27 to a licensed opium retail establishment, located on one of the principal streets of Mukden adjacent to a popular story-telling hall patronized by middle and upper class natives. Access to the opium establishment was apparently free to anyone. Upon entering, attendants without any question started to lead Mr. Thompson and my subordinate officer to a smoking compartment, in much the same fashion as one would be led to a table in a restaurant. No questions were asked. Upon a

24

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

13

19

20

21

22

statement that no opium was desired, the attendants showed some slight surprise but displayed no suspicion or uneasiness whatsoever. Opium is sold in this establishment at twenty cents a smoke on the premises, and twenty-five cents for the same small package when taken away. Addicts passed in and out during the visit without undergoing any questioning beyond a courteously phrased request as to what grade of opium was desired."

....

Skipping now to the last paragraph on page 5 of the document, which is the next page:

"It would seem to be evident from the foregoing that no progress in the control of narcotic has
been made since Consul A. S. Chase submitted his
basic report on the subject last autumn.

"Very respectfully yours,

"Wm. R. Langdon,
"American Consul."

Since the substance of the public notice was given in the body of the letter, I shall not read the translation on page 7 of the document.

THE PRESIDENT: Did you deliberately omit
the next to the last paragraph on page 5 of Mr.
Langdon's report about the rag pickers' market"? The
consequences of this trade or alleged trade are just
as important, if not more important, than the extent
of the trade.

MR. SANDUSKY: If your Honor desires, I would be glad to read it.

THE PRESIDENT: I think that should go into the record.

MR. SANDUSKY: Yes, sir.

(Reading) "Adjacent to a rag pickers' market

about a reeking open sewer are some fifty or more hovels inhabited by the lowest type of prostitutes, who also openly dispense narcotics. There are no signs whatever of police in the neighborhood. The setting was loathsome to a degree. Demonstrating with peculiar force the relation of cause to effect, there lay on an ash heap just behind the narcotic brothels seven naked corpses which had evidently been stripped of their rags by fellow addicts. It is generally stated that this is a daily sight, despite the regular removal of the bodies by the Red Swastika Society. There was offered no other explanation than that these dead meet their end through narcotic poisoning."

Prosecution now offers document No. 9530, which is a report from the American Consulate General, Seoul, Chosen, February 4, 1937. 3 THE PRESIDENT: Admitted on the usual terms. CLERK OF THE COURT: Prosecution's document No. 9530 will receive exhibit No. 380. (Whereupon, prosecution's exhibit No. 380 was received in evidence.) 8 MR. SANDUSKY: From the American Consulate 9 General, Seoul, Chosen, February 4, 1937; Subject: 10 Regarding increased shipments of opium from the 11 Monopoly Bureau of the Government General to the 12 13 'Manchukuo' Monopoly Bureau: (Reading) 14 "The Honorable, the Secretary of State, 15 Washington. 16 "Sir: With reference to Consul William R. 17 Langdon's confidential despatch No. 64 of June 14, 13 1935, regarding the shipment of narcotics from Chosen 19 to Manchuria, I have the honor to transmit herewith a 20 translation from the February 2, 1937, issue of the 21 KEIJO NIPPO (Japanese language organ of the Government 22 General of Chosen) regarding increased shipments of 23 opium from the Monopoly Bureau of the Government 24 General to the 'Manchukuo' Monopoly Bureau. 25 "As indicated in the enclosed press report, 41,335 pounds of opium have been exported to Marchuria

each year, and this volume is to be increased at the request of the Manchurian authorities. To meet these increased export demands annual opium production in Chosen will be increased from 57,870 pounds to 82,670 pounds. Of note in this connection is the fact that more than 71 per cent of the opium produced in this country is being shipped to Manchuria. Respectfully yours, O. Gaylord Marsh, American Consul General."

The full translation from the FEIJO NIPPO,
February 2, 1937 -- Opium Production to be Increased:
(Reading)

"Director Munesue of the Monopoly Bureau of the Government General made the following statement to the press on the first instant upon his return from a business trip to Tokyo:

"About 41,335 pounds of opium have been exported annually to Manchuria. At a conference of departmental opium secretaries in Tokyo it was recently decided to increase this volume pursuant to demands from Manchuria as well as to demands for increased cultivation of poppies in North and South Kankyo provinces.

"In February or March I plan to visit

Manchuria to conclude a contract to this end.

"Present compensation to poppy growers is

each year, and this volume is to be increased at the request of the Manchurian authorities. To meet these increased export demands annual opium production in Chosen will be increased from 57,870 pounds to 82,670 pounds. Of note in this connection is the fact that more than 71 per cent of the opium produced in this country is being shipped to Manchuria. Respectfully yours, O. Gaylord Marsh, American Consul General."

The full translation from the FEIJO NIPPO,
February 2, 1937 -- Opium Production to be Increased:
(Reading)

"Director Munesue of the Monopoly Bureau of the Government General made the following statement to the press on the first instant upon his return from a business trip to Tokyo:

"About 41,335 pounds of opium have been exported annually to Manchuria. At a conference of departmental opium secretaries in Tokyo it was recently decided to increase this volume pursuant to demands from Manchuria as well as to demands for increased cultivation of poppies in North and South Kankyo provinces.

"In February or March I plan to visit

Manchuria to conclude a contract to this end.

"Present compensation to poppy growers is

about Yen 120 per kwan (8,267 pounds). If production is increased from 7,000 kwan (57,870 pounds) to 10,000 kwan (82,670 pounds), poppy growers will receive more than Yen 1,000,000."

The prosecution next offers document No.

1043, which consists of excerpts from the "Business
Report of 1938", a publication of the Treaty Bureau of
the Japanese Foreign Ministry.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 1043 will receive exhibit No. 381.

(Whereupon, prosecution's exhibit

MR. SANDUSKY: At this time it is desired to read only section eight on page eight of the document which relates to continued expansion of poppy cultivation in Korea or Chosen. The purpose of this document is also to show that the decisions regarding opium and narcotics were not simply the acts of local or so-called autonomous national governments but were decisions -- Japanese decisions -- at Cabinet level.

(Reading): "VIII. Regarding the Expansion of Acreage for Poppy Growing in Korea.

"According to the decision of the Cabinet

1 2

on Apr. 11th, Showa 8 (1933), the raw opium in the custody of the Government-General of Korea was allowed to be transferred to the Government of Manchukuo as a temporary measure. Hereafter raw opium produced in Korea may be transferred to the Government of Manchukuo for the sake of cooperation with its monopoly system according to the above decision of the Cabinet, besides being supplied as materials for the opium monopolies of the Government-General of Formosa and the Kwantung Bureau. Accordingly, it was submitted to the Opium Committee for deliberation on Dec. 12, Showa 13 (1938), that the quantities of raw opium to be supplied or transferred to the Government-General of Formosa, the Kwantung Leased territory and the Government of Manchukuo, and the acreage for poppy-growing necessary to produce the required quantities of opium should be decided upon after consultation by the authorities concerned. was passed by the Committee on the same day, and it was decided upon by the Cabinet on Dec. 23rd of the same year.

"There will be an increase of 2,000 chobu

(4,900 acres) in the acreage for poppy growing during
the fiscal year of Showa 14 (1939), and the total
acreage for poppy-growing in the same year is expected

33.

19

1

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

21

22

24

to amount to about 7,000 chobu (17,150 acres)." We next offer in evidence document No. 1045, which is the "Office Report for 1939 of the Third Section of the Treaty Bureau, Foreign Ministry." THE PRESIDENT: Admitted on the usual terms. CLERK OF THE COURT: Prosecution's document 6 No. 1045 will receive exhibit No. 382. 7 (Whereupon, prosecution's exhibit 8 No. 382 was received in evidence.) 9 MR. SANDUSKY: I wish to read numbered 10 paragraph one on page one to show that poppy acre-11 ages were increased in Chosen again in 1940 for the 12 13 third successive year in accordance with Japanese 14 Cabinet decision. (Reading): 15 "Office Report for 1939 of the Third Section 16 of the Treaty Bureau, Foreign Ministry. 17 "The Internal Opium Problem. 18 "Chapter V, See. 3. 19 "1. The Opium Production Increase Program in 20 Chosen. 21 "The Opium Production in Chosen for 1939 was as 22 follows: 23 "With the increase of the acreage by 2,000 Chobu 24 (4,900 acres), the cultivation of poppies in 1939 was 25 extended to 7,060 Chobu (17,297 acres) from which

78,366 kilograms of raw opium was derived and disposed of as follows:

"Manchukuo 62,000 kilogr.

"Kwantung Leased Territory 13,000"

"Taiwan (Formosa) 5,000 "

Total 80,000

"Furthermore, in order to meet the increasing demand for opium in excess of its production in Chosen, Manchukuo, Kwantung Leased Territory, and Formosa, and in accordance with the cabinet's decision of December 12, 1938, the Opium Management Board on November 9, 1939 passed a resolution approving an additional 5,000 chobu (12,250 acres) increase of poppies cultivation in Chosen for 1940. This increase, plus the previous year's 7,060 chobu raised the total acreage under cultivation to 12,060 chobu (29,547 acres)."

The prosecution now offers document No. 9558.

This document consists of excerpts from the Minutes of the Twenty-Second Session of the League of Nations "Advisory Committee on Traffic in Opium and other Dangerous Drugs," held at Geneva from May 24 to June 12, 1937.

THE PRESIDENT: Admitted on the usual terms.
CLERK OF THE COURT: Prosecution's document

No. 9558 will receive exhibit No. 383.

(Whereupon, prosecution's exhibit

No. 383 was received in evidence.)

MR. SANDUSKY: Beginning on numbered page 56 of the document, which is page 2 of the excerpt here: (Reading)

"M. Fuller (United States of America) made the following statement:

information which we have received in my country indicates that, in the provinces of China where there is no Japanese influence, a sincere effort has been made to reduce the production of raw opium and that this effort has met with surprising success. The Committee will recall that, in China south of the Great Wall, the principal producing provinces have for years been Yunnan, Szechuan and Kweichow. It will recall that, for years past, the production of Yunnan has been estimated at 4,500 tons per annum, that of Szechuan at a similar figure and that of Kweichow as usually around 400 tons.

"I am happy to say that the information which has reached me indicates that in the three provinces referred to (and they represent most of the production south of the Great Wall), the restrictive measures

enforced by the Chinese Government are now commencing to have a noticeable effect. The production for the crop year 1936/37 is estimated to have been reduced in Yunnan by about 50% and in Szechuan by about the same proportion, till it now rests at about a half of the usual output.

2

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

"'When we come, however, to the provinces under Japanese control or influence, we find a very different state of affairs. In the three northeastern provinces -- that is to say, Manchuria -- we find that the area designated by the regime now functioning in that region for lawful opium-poppy cultivation in 1937 was 156,061 acres, as compared to 133,333 acres in 1936, an increase of 17%; and that unlawful cultivation had reached a point such that the regime referred to found it necessary, on February 6th, 1937, to issue a public warning to unlicensed cultivators. The anticipated gross revenue from Government opium sales in Manchuria in 1937 is estimated at a figure over 28% greater than the gross revenue realized in 1936. As interest in the welfare of the people seems inconsistent with a policy of selling them more opium, one is necessarily led to see in this drive against illicit poppy growing nothing more than an effort to destroy business competition. 1"

Turning now to portions marked on pages three and four: (Reading)

"Late in January 1937, there was held in Hsingking, the seat of the central government in Manchuria (formerly known as Changchun), a conference of provincial governors.

"After the statements made at that conference of governors, M. T. Kikuchi, the Japanese editor of the Sheng Ching Shih Pao (South Manchuria Railway owned Chinese language daily of Mukden), openly criticised the Governments' narcotics policy. He charged that (1) the licensed opium retailing system has not checked the spreading use of that drug, (2) large numbers of young people have taken to narcotics, (3) it is inconsistent for the Government to advocate the improvement of public health and yet permit the population to be poisoned by narcotics, (4) opium and its derivatives are a blot on 'Manchukuo's' honour. With the permission of the Committee, I will read translations of three courageous articles from M. Kikuchi's newspaper."

With permission of the Tribunal I had thought to read only the one starting on the bottom of page three: (Reading)

"(Editorial in Sheng Ching Shih Pao, January 27th,

1937.) 'Opium Retailing and Health Preservation.

"The Danger of opium is known by everyone.

There has long been talk of racial and national perdition through opium-smoking. After the establishment of Manchukuo, the Government adopted the licensed opium-house system to prohibit opium-smoking gradually, as it was feared that opium addicts of long standing could not stop smoking immediately. Simultaneously, opium addict sanitaria were established in various places for curing the habit and restoring normal health.

"'From the time the opium retail system was established, we have written editorials to serve as warnings. Contrary to expectations, after several years of the enforcement of the opium-retail system, none of the opium addicts has stopped smoking and, in addition, a large number of young people have become opium-smokers. It is, therefore, to the point that at the governors' conference there was expressed a desire to re-examine the licensed opium-house question, in order that the people's health may be preserved.

"'In recent years, the Government has paid careful attention to the health of the people and has endeavoured to improve it. Yet the adoption of the licensed opium-house system and the freedom allowed

the people to smoke opium as they please in licensed opium-houses affects their health far more than unsanitary conditions. Opium, together with heroin and morphia, causes many deaths (in Manchuria).

1

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

"'It may be said that, since there are opium addict sanitaria already established for the treatment of the public, the Government can do nothing more if the people themselves take to narcotics like the moths flying into a flame. We feel, however, that if a proper procedure is required for the purchase of opium and that if the number of licensed opium-houses is decreased, it may be possible to reduce the number of opium-smokers. It is, after all, a shame for any civilized country to permit the open sale of narcotics. In extenuation, it may be said that our country adopted the licensed opium-retail system only as a temporary measure, it having been decided to reduce annually the opium cultivation areas. It would seem practicable to designate a limited number of years for addicts to break off the habit, if not out of public health considerations, at least, in order to adhere to the original aim of reduced consumption.

"'The provincial governors this time are of the same opinion as we in regard to the re-examination of the opium question. That is, the people must

universally be healthy. Then the country and its race can develop sturdily. The present curious form of health preservation leaves a blot. Moreover, the logic of discussing public health and yet allowing the people to be poisoned seems to be inconsistent. The present conditions may be a plan to get rid of the weak and keep the good. It is, nevertheless, a disgraceful reflection on the people that they should continue to take poison like candy, in spite of the existence of opium-addict sanitaria and public-health organizations. Once orders are issued by the Government, none of the addicts will dare disobey them. If opium-smoking is to be controlled only when the situation develops to its worst, then it will be too late.

"'It is sometimes said that since opium-addicts cannot return to normal health, it would be better to let them live or die as they like. We ask, what harm can there be in strictly prohibiting them to smoke opium? Those who die due to Government prohibition are a minority. And by such prohibition, the addiction of young people to the drug may be checked. This will naturally greatly preserve the health of the people.

"'Some say that opium is a rich source of Government revenue. If it is suddenly cut off, the Government

cannot make up the loss. We maintain that the land of Manchukuo is wide and fertile and that the cultivation of other crops to take the place of opium would compensate for the loss.

"'Why leave this shame, making possible the existence in this country of unhealthy people? We have suggested to the governors' conference a reexamination of the opium-retail question, and although we have not yet heard of the results, it is felt that the Central Government authorities will, for the health of the people, take the matter into deep consideration and make proper disposal of it."

Turning next to the editorial comment on page five, which is sixty-one of the printed copy, that is page ten of the Japanese copy: (Reading)

"The ash heaps of Mukden and Harbin have become so not rious that M. Kikuchi was moved to write the following editorial, which I quote in translation:"

May it please the Tribunal, I believe the interpreters do not have this portion, so with permission I will quote Mr. Fuller's conclusion in the last two paragraphs in the center of the page. Mr. Fuller, speaking again: (Reading)

"What has the Government which -- "

THE PRESIDENT: Well, now, I think you ought

23 24

25

1

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

to read a lot more. We will adjourn now to enable the translation to be secured. MR. SANDUSKY: Very well, sir. THE PRESIDENT: You are leaving out the most important things, not deliberately. (Whereupon, at 1155, a recess was taken.)

AFTERNOON SESSION

b

er

pratt

The Tribunal met, pursuant to recess, at 1330.

MARSHAL OF THE COURT: The International

Military Tribunal for the Far East is now in session.

THE PRESIDENT: Mr. Sandusky.

MR. SANDUSKY: I continue with prosecution document 9558, which is exhibit 383, beginning with the marked portion on page 5 of the excerpts which is page 61 of the printed copy:

(Reading): "The ash heaps of Mukden and Harbin have become so notorious that M. Kikuchi was moved to write the following editorial, which I quote in translation:

" '(Sheng Ching Shih Pao, Mukden, Manchuria, February 18th, 1937.) Many Dead on Kung Fu Shih Ash Heap.

"Everyone knows the danger of morphia. There are many people who die from its poison each year. It is lamentable to say that these people, in becoming addicted to morphia, are digging their own graves. The ash heap at Kung Fu Shih, outside of the large west city gate, is the morphia centre of Mukden. It is general knowledge that almost daily drug-addicts die there.

'It is now learned that at the foot of the ash heap there were found dead during the several days after the Lunar New Year thirteen young men of about twenty years of age. Their hair was dishevelled and their faces dirty. They will be recognized at a glance as morphia-addicts. Their upper garments and transers were stripped from their bodies. Some of them were lying on the ground with their faces turned upward; some with their faces covered; and some were lying in the gutters. It was a pitiable sight. On the morning of the 16th instant, these dead bodies were still lying at that place.

'It is deeply hoped that the Municipal Government and philanthropic organisations will, at an early date, dress these corpses for burial, so as to show regard for humanity and to improve the appearance of the city.'

Continuing with Mr. Fuller's statement:

"What has the Government which holds
or should hold !tself responsible for the welfare
of the people of Manchuria done about this? In
the conference of provincial governors, no remedial measures are reported to have been advocated. The Covernment's opium programme, for 1937

envisages a 25% increase in sales over 1936.

No intention has been exhibited to check the brazen traffic in morphine and heroin. Mr. Chairman, I put it to you that this is a sad but most illuminating example of the results of greed, of large-scale poisoning of one's fellow-man for gain and an example of total disregard of the obligations which any Government, de facto or de jure, which hopes to enjoy respect, confidence or recognition, has toward other Governments of the world.

"Many of those present will recall an occasion, not so very long ago, when in this Committee an expose was made of illicit manufacture which had suddenly sprung up in an alarming manner in a certain country—an occasion when one of our oldest and most respected colleagues said: 'This cancer on the face of Europe must be extirpated'. It was. Now we have another cancer, this time on the face of Asia. It remains to be seen whether those responsible for the ash heaps of Harbin and Mukden, Tongshan, Tientsin and Peiping will do anything about it before they are overtaken by a retribution which all their ill-gotten gains cannot avert.

```
"The CHAIRMAN thanked Mr. Fuller for his detailed
  1
  2
     statement."
  3
  4
  5
  6
  7
 8
 9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

è

"Russell Pasha (Egypt) made the following statement:

"We have all heard Mr. Fuller's full and authenticated statement on the state of affairs existing in the Japanese controlled territories north of the Great Wall and in some parts of China proper.

"I do not know what impression it has made on members of this Committee who have heard it for the first time. If the result is scepticism or a self-satisfying hope that things are not really as bad as they are painted, all I can tell them is that I, too, have got full and ample reports by eyewitnesses which amply confirm what Mr. Fuller and others have said.

"As heroin manufacture and sale constitute apparently a perfectly open and authorized trade in Manchuria and Jehol, it is possible for any intelligent traveller to judge of the enormous proportions at which this trade has now arrived, to see with his own eyes the ghastly effects that it is producing on the population and the menace that it is to the rest of the civilised world.

"Without attempting to give you a complete account of the narcotic industry and conditions in

"Russell Pasha (Egypt) made the following statement:

"We have all heard Mr. Fuller's full and authenticated statement on the state of affairs existing in the Japanese controlled territories north of the Great Wall and in some parts of China proper.

"I do not know what impression it has made on members of this Committee who have heard it for the first time. If the result is scepticism or a self-satisfying hope that things are not really as bad as they are painted, all I can tell them is that I, too, have got full and ample reports by eyewitnesses which amply confirm what Mr. Fuller and others have said.

"As heroin manufacture and sale constitute apparently a perfectly open and authorized trade in Manchuria and Jehol, it is possible for any intelligent traveller to judge of the enormous proportions at which this trade has now arrived, to see with his own eyes the ghastly effects that it is producing on the population and the menace that it is to the rest of the civilised world.

"Without attempting to give you a complete account of the narcotic industry and conditions in

Manchuria and Jehol, I will quote you some sentences from reports received:

'In the city of Harbin, there are today not less than 300 heroin dens without counting those in the city of Foochiatien, which is practically part of Harbin.

These dens are visited daily by about 50,000 addicts of Chinese, Russian and Japanese nationality.

Besides these heroin dens, there are in Harbin and Foochiatien 102 authorized opium saloons which also sell heroin. The number of clients of these dens is about 20 Europeans and 300 Chinese for each den daily.

'Practically one-quarter of the one million inhabitants of these two cities are addicts.

'During the last two years, there have been in Harbin many Japanese addicts, especially among the soldiers and officers of the Japanese army.

'During the very severe Harbin winters, many addicts die in the street; their corpses are left for days in the streets, as nobody bothers to take then away; even the dogs sometimes will not eat them.

24

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

'The supply of drugs is not manufactured in Harbin itself. It comes entirely from the Japanese Concession in Mukden and from Dairen. It is from Dairen that thousands of letters containing drugs are posted to the United States, Egypt and elsewhere.

'The Podol district of Foochiatien is full of heroin dens; there must certainly be a thousand, all for the poorest class of the population; near to the district is a bazaar where second-band and stolen goods are sold in exchange for heroin. . . In this district, corpses of addicts are found daily; other addicts are paid ten yen to take away a corpse and bury it. . . No formalities.

'Persants arrive daily at Foochiatien to sell their farm produce; they are paid in heroin, and addiction is rife among them; they are pawning their horses, their cattle and even their houses for heroin, till they become completely beggared and their lands are taken over by the opium Monopoly.'

Russell Pasha (continued)

"These quotations could be continued indefinitely. As you will see from them, conditions in

these parts are staggering to the mind of any man who has a sense of decency and pity towards his fellow-men.

"The evil is, however, so general and spread over such enormous territories that it is difficult for us, living our confortable lives, to concentrate our thoughts and actually visualise what these things mean.

"Mr. Fuller has described, and other eyewitnesses have written, accounts of conditions in
the Japanese concession of Tientsin; one such eyewitness has described the situation to me as follows:

'The Japanese Concession in Tientsin is now known as the nerve centre of heroin manufacture and addiction of the world. The number of opium and heroin dens which go under the names of Yang Hang or foreign firms, number well over a thousand, in addition, there are hundreds of hotels, shops and other establishments where white drugs are openly sold.

Not less than 200 heroin factories are scattered over the Japanese Concession, which is only about four square miles in size. Over 1,500 Japanese experts and 10,000 Chinese workmen are engaged in the manufacture of heroin. As the business is extremely

profitable and the supply of raw material abundant new factories are starting daily; the factories are working perfectly openly.

'Hashidate Street is the heart of the heroin belt in China. There are in it more than fifty shops, and heroin can be purchased freely in all of them. The heroin is of excellent quality, without adulteration and cheap, the gramme in retail selling for I Chinese dollar, while the wholesale price is 500 Chinese dollars (about 145) the kilogramme.'

"Russell Pasha added, for purposes of conparison, that the price of I kilogramme of pure herein in Cairo at the present time would be from 1500 to 1600.)"

Continuing the quetation:

'Every night we can see coolies and merchants walking about the streets offering heroin for sale. After the famous Manchuria and Jehol dens and factories, the Japanese Concession in Tientsin has become the heroin centre of China proper and of the world, and it is from here that not only the Chinese race but all other countries of the world are being weakened and debauched.

'To the traffickers, of course, the

foreign, and especially the American, trade is the most profitable. Most of the narcotics, intercepted abroad, bear a mark of Chinese origin. The reason for this is simple: Japanese laws do not allow expert of drugs to foreign countries from Japan or via Japan; it becomes necessary, therefore, to ship the goods to foreign ports via Shanghai and in some cases direct from Tientsin.

'I have made a very careful calculation and estimate that 500 kilogrammes or more of heroin are shipped weekly direct from Tientsin.

This quantity is divided roughly as follows: 60% direct to the United States, 30% to the United States via European countries and ports, and the remaining 10% to other countries, including Egypt.

'We should not be far short of the mark if we said that 90% of all the illicit white drugs of the world are of Japanese origin, manufactured in the Japanese Concession of Tientsin, around Tientsin, in or round Dairen or in other cities of Manchuria, Jehol and China, and this always by Japanese or under Japanese supervision. As for the conditions in the dens of the Japanese Concession, words fail when I attempt to describe the revolting and terrible condi-

tions. The dens are dark, the filth is revolting and the scenes ghastly even to a hardened person like myself; in the brothels adjoining the dens, young girls give filthy exhibitions for the sake of o shot of heroin; Chinese, Russians, foreigners lie about on the dirty wooden boards, as also children of two and three years of age, already idiot drug addicts, with swellen heads and thin transparent bodies.

'In the first room of the dens, Korean women (never themselves addicts) are busy at their tasks mixing the heoin with adulterants. A small dose costs 10 cents, 50 cents for a dose of a better quality or for an injection of morphine. The injections are done with dirty syringes, often home-made; the needles are never washed, disinfected or changed, and syphilis is freely spread by the needles from one addict to another. I have seen addicts with whole parts of their chests just a mass of decomposed and gangrenous flesh, with holes in their bodies that you could put your whole fist into, and it is into these putrefying, barely living corpses that the needles of dope are alternately pushed.

"I will quote no more."

24

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

1 2

MR. SANDUSKY: The prosecution now offers document 9532B which is a certificate of source for document 9532.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 9532B will be given exhibit No. 384.

(Whereupon, prosecution's exhibit No.

384 was received in evidence.)

MR. SANDUSKY (Reading): "THE UNDER SECRETARY

OF THE TREASURY, Washington, May 31, 1946," to the

Honorable Secretary of War, "My dear Mr. Secretary:

Under date of November 30, 1945, the Treasury Department addressed a letter to Lt. Col. William T. Hornaday,

War Crimes Office, Headquarters, Army Service Forces,

Office of the Judge Advocate General, Washington, D. C.,

referring to a request by Col. Larnaday addressed to

the Bureau of Customs for authority to use the originals

of certain documents which were taken from the files of

the Bureau of Customs and which will be introduced at

certain war criminal trials in Japan.

"Col. Hornaday was informed that the Treasury
Department had no objection to his use of these documents.

"It is understood that the "ar Crimes Office has particular reference to a report from former Treasury Attache Nicholson at Shanghai, dated October 27,

1937, entitled 'MANCHOULUO OPIUM MONOPOLY ADMINIS-1 TRATION, ITS ORGANIZATION, ACTIVITIES AND OPIUM 2 CONDITIONS IN MANCHOUKUO IN 1937, and wishes to be 3 informed whether this is an official report. 4 "You are informed that the report entitled MANCHOUKUO OPIUM MONOPOLY ADMINISTRATION, ITS ORGAN-6 7 IZATION, ACTIVITIES, AND OPIUM CONDITIONS IN MANCHOUKUO IN 1937, is an official report from the Office of 8 the United States Treasury Attache at Shanghai and 10 was taken from the files of the Bureau of Customs in 11 order that it might be used as evidence in the war 12 crimes trials in Japan. 13 "Very truly yours, O. Max Gardner, Under 14 Secretary of the Treasury." 15 Document 9532 entitled as indicated. 16 (Reading): "In spite of much talked about 17 anti-opium and anti-narcotic 'purge' in 'Manchoukuo' 18 there are not many changes in the organization and 19 activities of the 'MANCHOUKUO OPIUM MONOPOLY ADMINIS-20 TRATION.' THE ONLY NOTICEABLE CHANGE IS THE ENLARGE-21 MENT OF ITS ACTIVITIES AND IN THE INCREASE OF ITS 22 INCOME DURING 1937.

"It is my considered opinion that any new laws, destined to 'purge' the country of the opium and narcotic habits, which have been published by

23

24

Premier Chang Ching-hui of 'Manchoukuo' are merely a 'blind' dictated by circumstances which will be explained below.

"So far (up to the beginning of October 1937)
the 'MANCHOUKUO OPIUM MONOPOLY ADMINISTRATION' still
exists as it was created in 1932-1933 but on a more
extensive structure. As you remember, prior to dividing
the country into provinces, there were only FIVE district offices of the 'Manchoukuo Opium Monopoly Administration' but since dividing the country, first into
14 provinces and later (in 1937) into 16 provinces,
the 'Manchoukuo Opium Monopoly Administration' opened
district offices in all provinces.

"At present 'MOMA' is working on a well established administrative system and therefore its work may be more easily studied and watched than previously.

"Besides the 'MOMA' provincial and district offices there have been established a laboratory in Harbin, narcotic factories in Mukden and Chengteh and 5 infirmaries for care of opium and narcotic addicts situated at Hsinking, Mukden, Tsitsikar, Kirin and Chengteh. The laboratory and factories were established by order of the 'Manchoukuo' Government issued on October 25, 1933 while the infirmaries were

established by the Government order issued on January 15, 1935.

"NO PERMISSION HAS EVER BEEN GIVEN, EITHER
BY THE GOVERNMENT OR BY 'MOMA', TO OPEN ANY PRIVATE
FACTORIES FOR THE MANUFACTURE OF NARCOTICS. Moreover,
'MOMA' and its offices throughout the country take
good care that no such private factories are opened
in the territory of 'Manchoukuo' as their existence
would result in loss of revenue to the Government and
the 'MOMA' and would also affect the incomes of various
private concerns and individuals who have licenses
from 'MOMA.'

"HOWEVER, PRIVATE FACTORIES AND THE MANUFACTURE OF NARCOTICS EXISTED IN 'MANCHOUKUO' UP TO
JULY OF 1937 MOSTLY IN THE JAPANESE CONCESSION IN
MUKDEN AND ON THE K'ANTUNG LEASED TERRITORY WHERE
SUCH ESTABLISHMENTS 'OPERATED' UNDER THE PROTECTION
OF THE LOCAL JAPANESE POLICE AND GENDARMERIE OFFICIALS.

"'MOMA' requested the 'Manchoukuo' Government and the Kwantung Army many times to close these 'illegal' factories but up to July 1937 all these factories continued to exist.

"Using the 'noise' started by the League of Nations when it openly placed the responsibility for the manufacture of 'illegal' narcotics in the

Far East on the Japanese and 'Manchoukuo' Governments, 'MOMA' at last succeeded in its importunities to the Government and new laws were approved by the Privy Council of 'Manchoukuo' on July 19 and formally promulgated by the Government of 'Manchoukuo' on July 22, 1937.

"According to these NEW LAWS, which consist of 32 articles, THE MANUFACTURE, sale, importation and exportation of various narcotics are strictly forbidden WITHOUT PERMISSION FROM GOVERNMENT OF 'MANCHOUKUO.' Those guilty of violations of these new laws are punishable by imprisonment for not more than SEVEN years, or by fines not exceeding 7,000 yen (kuobi)."

are directed mainly against the manufacture and the use of NARCOTICS. It was found that some Japanese became addicts and that while it was comparatively easy to control opium addicts who require paraphernalia for smoking, it was almost impossible to detect narcotic addicts, such as **Heroin** smokers, who only needed a cirarette which leaves no narcotic odor."

THE PRESIDENT: Something is omitted here.

You have skipped page 3, that is what is wrong.

MR. SANDUSKY: Sir, I believe I am reading

page 3.

THE PRESIDENT: No, you skipped it. Perhaps
you intended to and did not say so.

MR. SANDUSKY: I beg your pardon, your Honor.
I do see that I have skipped page 3. I am very sorry.
Beginning with the top of page 3:

(Reading): "THE NEW LAWS SPECIFY THAT

'PERSONS WISHING TO MANUFACTURE, IMPORT, OR EXPORT

NARCOTICS MUST OBTAIN GOVERNMENTAL LICENSE.' These

laws also prohibit the use of narcotics by the general

public and the sale of narcotics is not allowed except

in the following FOUR cases:

- "1. In cases when the manufacture, import and EXFORT of narcotics are licensed by the Authorities.
- "2. When physicians, dentists or veterinaries consider that the use of narcotics is necessary.
- "3. Then the buyer of narcotics is a practicing physician, dentist or veterinary.
- "4. When the narcotics are to be used for scientific purposes.

"Thus it will be seen that these NEW LAWS were issued mainly to assist the 'Manchoukuo Opium Monopoly Administration' in a control of the use of narcotics and not AS A DRIVE AGAINST THE OPIUM AND NAFCOTIC HABITS as was claimed by 'Manchoukuo' Premier Chang Ching-hui

in his official declaration published in Hsinking on August 11, 1937.

"However, the NEW LAWS were effective in that several private factories in Mukden and Harbin as well as later in Dairen and vicinity WERE CLOSED BY THE AUTHORITIES AND their Japanese and Korean owners fined. So that as far as I know THERE ARE NO PRIVATE FACTORIES TO BE FOUND AT PRESENT EITHER IN 'MANCHOUKUO' OR IN THE KWANTUNG LEASED TERRITORY.

"IT IS A VERY WELL KNOWN FACT, HOWEVER, THAT
WHEN THE AUTHORITIES CLOSED THE SAID PRIVATE FACTORIES,
IT WAS SEMI-OFFICIALLY 'HINTED' TO THE OWNERS THEREOF
THAT THEY COULD START THEIR 'WORK' ANEW IN NORTH CHINA
AND CHAHAR AS SOON AS THE MILITARY AND POLITICAL
SITUATIONS IN THOSE REGIONS WERE STABILIZED. I HOPE
TO SUBMIT TO YOU A DETAILED REPORT ON THE NEW FACTORIES
"HICH ARE OPENING NOW IN NORTH CHINA AND INNER MONGOLIA
as I have already received information that many of
the Japanese and Koreans, formerly operating factories
in 'Manchoukuo' and Dairen, had migrated to these
sections for the purpose of continuing their 'business.'

"The latest reports indicate that up to the present the 'Manchoukuo' Opium Monopoly Administration has issued about 2000 licenses for the retail sale of opium.

17,

M r & A r m

1

2

3

4

5

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

"The New Laws, as you probably have noticed, are directed mainly against the manufacture and the use NARCOTICS. It was found that some Japanese became addicts and that while it was comparatively easy to control opium addicts who require paraphernalia for smoking, it was almost impossible to detect narcotic addicts, such as heroin smokers, who only needed a cigarette which leaves no narcotic odor.

"Thus the NEW LAWS also help Japanese Authorities in their struggle with Japanese addicts. It'is reported that in spite of severe punishment and deportation to Japan-proper there has been noticed a considerable increase of such addicts.

"Referring to the cultivation and use of opium, the NEW LAWS brought no new restrictions but only gave more power to the 'Manchoukuo Opium Monopoly Administration and as you will see from the attached detailed reports and maps the cultivation and the use of opium has increased. The increase of opium cultivation in 'Manchoukuo' is also explained by the fact that in the spring of 1937 there was great demand for crude opium in North China by the numerous narcotic factories which were opened there under Japanese protection.

"At present only the Harbin laboratory" and

24

Mukden Government narcotic factories are manufacturing narcotics which include morphine, ester, morphine-ester, cocaine, etc. While it is unknown to me just what quantity of narcotics is manufactured by the Harbin 'laboratory,' I have definite information that the Mukden factory of "MOMA" is manufacturing from 75 to 100 kilograms daily, PART OF WHICH IS DESTINED FOR EXPORT TO EUROPE AND THE UNITED STATES OF AMERICA.

"'MOMA's' factory in Chengteh (Jehol) is at present manufacturing only 'base' for which there is a large demand in North China and Chahar. It is reported that during the second part of August and first part of September about 200,000 kilograms of 'base' were brought to Tientsin by Japanese Military Transport units and that such 'transportation' was to be increased in October 1937."

Next, portions marked on page 5. (Reading)
"On the following 12 pages I am submitting to
you a detailed report regarding the cultivation of
'poppy' in 'Manchoukuo' in 1937.

"You will see that the crop was very good and I have definite information that by the end of July or beginning of August about 1,800,000 pounds were collected in the various provinces of 'Manchaukuo' and brought to a Central Store in Hsinking. About

1,000,000 pounds were left in the provincial offices for 'local' use, that is, for sale to retailers licensed by the 'Manchoukuo Opium Monopoly.'

"In this detailed report you will find that cultivation of 'poppy' in 'Manchoukuo' increased 30 - 35% and the cost of the opium collected increased by about 50%.

"Although the average figure of the pounds collected from one hectare dropped from 40 lbs. in 1936 to 36.5 lbs. in 1937, a good crop and the fact that there were 30,000 hectares more under 'poppy' than in 1936, accounts for the big increase in 1937."

The chart: "GENERAL REPORT ON OPIUM CULTIVATION IN VARIOUS PROVINCES OF 'MANCHUKUO" (IN 1937)
GIVING GENERAL FIGURES."

THE PRESIDENT: You must be approaching the saturation point here, Mr. Sandusky. The evidence now must be reaching the stage at which it will become cumulative.

MR. SANDUSKY: If it please the Tribunal, we have two more documents which are not as long as the document I have been reading, which relate to Manchuria, at which time we then will proceed to North China. The remaining documents cover a different time element, sir.

THE PRESIDENT: Mr. Levin.

MR. LEVIN: Mr. President, I would like to simply call the attention of the Tribunal to exhibit No. 383, portions of which have been already read. I have examined the original exhibit and those portions which have been read have been marked off by pencil, as have the copies which we have in our possession. It seems to us no mark should be placed on an original exhibit without the permission of the Court, because it might appear that from an examination of the exhibit as it now exists that the report was made in the form in which the copies have been made and the exhibit appears before the Court.

on by the Prosecution before it comes to the Court, and they can do what they like, of course. If you want to tender any part struck out that is not already in evidence you will be at liberty to do so. We will not be mislead by the pencil markings, Mr. Levin.

MR. SANDUSKY: Your Honor, I think if I may it would clarify the point for the defense, and to anyone else, to indicate that only the portions marked in the original document are offered in evidence, and that was the only way we could identify them.

THE PRESIDENT: Mr. Smith.

MR. SMITH: If your Honor please, In the number of the documents which have been admitted this morning I understood the entire document was tendered and had been admitted by the Court in that form, even though they read only a part of it. Any other procedure would be grossly unfair.

THE PRESIDENT: It is quite usual for all courts to admit only part of a document if that is what the party tendering it desires. There are opportunities open for the other party, in this case the defense, to tender the balance at the proper time. There is nothing unfair about it. It is quite usual, in fact unavoidable in most cases.

MR. SMITH: If I may take one moment, your Honor, one of the documents admitted this morning was not anything more than a running discussion. They took out a statement by Mr. Pasha, I believe, and read only that. They omitted everything the Japanese delegate said in answer, and --

THE PRESIDENT: I notice that what the Japanese delegate said was marked, but was not read, but there is no occasion to read it. The defense can read it later, and, as I said before, perhaps we will have a clearer recollection of what the Japanese delegate said then what the other man said. The

defense has no grievance.

MR. LEVIN: Mr. President, I don't want to unduly prolong this discussion, but I think I would like to ask a clarification of the matter. It was my impression that when a document was tendered in evidence, the entire document was in evidence and that the prosecution was reading only such portions of the document to which they desired to call the attention of the Court.

THE PRESIDENT: Our rules contemplate, in dealing with the question of translations, that part only of a document may be used by the prosecution or the defense. That course has been followed here. It is quite usual.

Now, these figures comprise such information as the average production per acre. They are of no assistance whatsoever to us. The increase in acreage and the increase in production from year to year certainly is of great importance. The increase or the distribution of production over the various provinces of Manchukuo again will be of no assistance to us. I have rapidly perused what you haven't read yet and it does not appear to me that it is worth reading, but you may be able to suggest that it is. Are there any striking passages you would like to draw the Court's

1 2

attention to?

MR. SANDUSKY: May it please the Tribunal, it was not intended to read the charts in detail. They are included and put into evidence, sir, in order that the Court may gather the fine detail of these investigations and thus have a better idea of the probative value of the investigations.

THE PRESIDENT: They show that the investigation was thorough, detailed, and therefore reliable.

MR. SANDUSKY: Yes, sir. With the Court's permission, we will proceed to next offer prosecution's

2-1

THE PRESIDENT: What is this about? On the same subject matters? Admitted on the usual terms.

document 9533 which we hereby offer in evidence.

CLERK OF THE COURT: Prosecution's document No. 9533 will receive exhibit No. 385.

(Whereupon, the document above referred to was marked prosecution's exhibit No. 385 and received in evidence.)

MR. SANDUSKY: This document is offered to show the financial importance of the opium and narcotics traffic to the government of Manchukuo.

(Reading)

"American Consulate General, Mukden, Manchuria, January 27, 1939. 'Manchukuo' Opium Policy.

"The Honorable, The Secretary of State, Washington. Sir:

patches concerning 'Manchuo's' reformed opium and narcotics policy. It will be recalled that this office hesitated to state whether the new policy represented honest intent on the part of the Government to reduce, if no eradicate, the drug evil or whether it was merely a pious rationalization of tighter Government control

į

over the opium and narcotics revenue.

"Study of the 1938 budget, Monopolies Special Account, goes a long way towards dissipating uncertainty as to the Government's motive for instituting a so-called reform of its opium policy. The following statistical comparisons taken from the preceding and current budgets are revealing: "

In 1938 for the purchase of raw opium, 29 million yen; 1938, 32 million yen. For the sale of opium, 1937, 47,850,000; 1938, 71,045,200.

"The price of raw opium has not risen, that of processed opium has risen slightly. The above figures, therefore, represent an anticipated increase in consumption, irreconcilable with the Government's announced intention to curb the use of the drug.

"Respectfully yours,

"John Davies, Jr.

"American Vice Consul."

THE PRESIDENT: Mr. Smith.

MR. SMITH: Your Honor, in the letter just read my copy shows a line drawn through the last sentence and it is rather difficult to unravel what was said, but I notice it winds up with the word "fraud," and I think the prosecution should be required to read the entire letter.

THE PRESIDENT: Before any Member of this
Tribunal would interrupt this proceeding in that way,
he would ask for the original. That is what you should
have done. If the original is not clear, you are
entitled to do what you are doing now, but you ought
to look at the original to see if you can follow that.

MR. SMITH: Yes. Your Honor, this whole mass of documents read this morning and yet to be read was put on our desks last Friday afternoon when I was out of the office. I saw them first this morning. I have not had an opportunity to even read the copies.

MR. SANDUSKV: Your Honor, I believe the documents .ere sent out from Prosecution Section by three o'clock on Thursday.

THE PRESIDENT: This has got nothing to do with that. Show me the original and we will settle the point immediately. Being an American document it will be in English.

("hereupon, a document was handed to the President.)

THE PRESIDENT: Here is the original and it is perfectly plain.

MR. SMITH: Your Honor, the original shows a line drawn through the last sentence of the letter and I would like to inquire why the prosecution did

.

not read it. THE PRESIDENT: Which represents a shift of 2 ground. There is no occasion for the prosecution to 3 read it. MR. SMITH: May I explain to Your Honor that 5 my client is not primarily interested in the opium 6 7 traffic. I supposed that some of the other counsel who sit at the central table would make these objections. 8 9 I do not went it understood that my client is primarily 10 interested in case I come up and call attention to 11 these things. It is a short letter and I think the 12 government ought to read the whole letter. 13 THE PRESIDENT: We have wasted ten minutes 14 and a lot of paper for just nothing. 15 MR. SANDUSKY: The prosecution now offers 16 document 9534. 17 THE PRESIDENT: Dealing with the same subject 18 matter. Admitted on the usual terms. 19 CHERK OF THE COURT: Prosecution's document 20 No. 9534 will receive exhibit No. 386. 21 (Whereupon, the document above referred 22 to was marked prosecution's exhibit No. 386 and 23 received in evidence.) 24

MR. SANDUSKY: If your Honor please, this

document is presented for what study the Tribunal may

care to give the figures on the second page. It was not intended to read the chart presented there. Prosecution next offers document 9535. THE PRESIDENT: Dealing with the same subject matter. Admitted on the usual terms. MR. SANDUSKY: Yes, sir, it deals with the same subject matter to the extent that it deals with the budget aspect of opium and narcotic traffic, but for a year later. CLERK OF THE COURT: Prosecutions document No. 9535 will receive exhibit No. 387. (Whereupon, the document above referred to was marked prosecution's exhibit No. 387 and received in evidence.)

1 dd 2 a 3

& "1 4

h 5 a 1 6 e n 7

9

10

8

11

13

12

15

14

16

17

13

19

20

21

22 23

24

25

MR. SANDUSKY: This is a report from the Treasury Attache at Shanghai -- correction: from the American Consulate General at Mukden, dated March 20, 1939.

Turning to the report proper, which is an "Excerpt from despatch dated March 20, 1939 from the American Consulate General at Mukden covering the 'Manchukuo' Budged for 1939. Monopolies Operation Special Account. This account deserves study. It shows gross receipts as follows: From opium sales: 90,908,400 yen for 1939 as against 71,045,200 yen for 1938."

I shall not read the remainder of the chart.

(Reading) "The sale of opium is still 'Manchukuo's' chief money-getter next to customs revenue,
and it is difficult to put faith in 'Manchukuo's' professions of interest in eradication of the opium evil
in the light of the opium monopoly figures. Last year
raw opium purchased by the monopoly for its business
cost Yen 32,653,000; this year it will be 43,470,000,
and every man, woman and child in Manchuria is expected
to spend Yen 3.00 of his or her infinitesimal cash
income for opium.

"Net profit from monopolies this year is expected to be over Yen 56,000,000, after payment of

nearly Yen 15,000,000, to general accounts, reserve
funds, and national loan funds."

If your Honor please, that concludes the ex

If your Honor please, that concludes the evidence on opium and narcotics for Manchuria.

We next proceed to similar conditions with respect to North China. Prosecution offers document 9557.

THE PRESIDENT: What is it?

MR. SANDUSKY: The "Minutes of the Twenty-Fourth Session of the League of Nations Advisory Committee on Traffic in Opium and Other Dangerous Drugs, held at Geneva from May 15th to June 12th, 1939."

THE PRESIDENT: Admitted on the usual terms.

DEPUTY CLERK OF THE COURT: Prosecution's

document No. 9557 will receive exhibit No. 388.

(Whereupon, the document above referred to was marked prosecution's exhibit
No. 388, and was received in evidence.)

MR. SANDUSKY: Reading from the portion marked for evidence on page 2 of the excerpt: "Examination of the Situation in the Far East. Dr. Hoo Chi-tsai (China) made the following statement:

"The measures taken by the Chinese Government have already produced highly satisfactory results, which are confirmed by evidence from neutral official sources.

I should like to quote one or two passages.

"1. In the report from India on the illicit traffic in 1937, we find the following judgment: 'The imports of contraband charas into the Punjab and the North West Frontier Provinces have diminished to a great extent on account of the prohibition imposed by the Chinese Government on cultivation of hemp plant in Central Asia and export of charas.'

"2. The annual report from the International Settlement at Shanghai for 1938 says: 'In the last quarter of the year, the amount of heroin in circulation for local consumption dwindled almost to disappearingpoint, and heroin-dens practically ceased to exist. In this connection, it is noteworthy that eighty-five addicts were arrested during the year, as compared with 329 in 1937 Fundamentally, the police owe this satisfactory improvement to the strict enforcement by the Chinese court in the Settlement of the Drugs Suppression Regulations promulgated on June 1st, 1936, which has given rise to an increasing disinclination on the part of Chinese to operate heroin-dens or to peddle the drug. Later on, the report adds: 'The traffic in red pills in the Settlement, so far from being the serious problem it was in past years, has now practically disappeared. This is to be attributed

24

3

4

6

7

9

10

11

12

13

14

15

16

17

18

19

20

21

22

to the enforcement by the Chinese court in the Settlement of the Drugs Suppression Regulations which prescribed the death penalty or life imprisonment for the manufacturers of narcotics and sentences ranging from twelve to fifteen years for the traffickers.'

"3. The annual report for Indo-China for 1937 states in regard to the illicit traffic in Laos that:
'Infiltrations of Yunnanese opium are becoming more and more infrequent as the Yunnan Government's prohibition scheme comes into effect.' Referring to the illicit traffic in Tonkin, the report says: 'The passage of large consignments is no longer reported from the mountainous and sparsely populated areas: consignments are now broken up into very small portions . . . They have decreased considerably in numbers.' It also refers to 'the putting into effect of the Yunnan restriction scheme' as one of the reasons for the decline of smuggling."

G

Continuing reading on the next page,

Item (3) of Dr. Hoo's comment:

"(3) These decisions of the Executive Yuan were followed by the issue of regulations for their execution:

"(a) Regulations for the Establishment of Opium-Addicts' Workshops in Provinces, Municipalities and Districts. These regulations provide that poor and unemployed opium-addicts who have been or are to be disintoxicated shall be housed, fed and treated in the workshops. They will undergo a course of physical culture and a course of moral rehabilitation. They will learn to make various articles out of the raw materials produced locally. These articles must be such as can find a ready sale in the neighbourhood. The period spent in the workshops will be from three to six months.

"(b) Regulations for the Control of
the Special Funds allotted to Provinces, Municipalities,
and Districts for the Suppression of Opium. These
regulations contain instructions for the composition
and working of the provincial, municipal and district
commissions which will in future be set up to superintend the employment of the funds for the suppression
of opium. The funds in question are derived from a

percentage levy on the proceeds of various permits 1 issued for the use of opium, and from fines imposed 2 and property confiscated for offences against the anti-3 opium laws. These funds are to be devoted exclusively 4 to the anti-drug campaign, in the form of grants to 5 disintoxication hospitals, grants to opium-addicts' 6 workshops, etc. The same regulations also embody 7 instructions for drawing up the budget of these funds,

"As regards the cultivation of the opium poppy, you will see from Table 16 of China's annual report that it has been gradually reduced since the adoption of the six-year plan.

and establish supervision by the Central Government.

"The opium poppy has been replaced, in different areas, by other crops such as cotton, cereals, vegetables, hemp, tea, fruit-trees, tobacco, wood-oil trees or sugar-cane. Under the six-year plan, all opium-poppy cultivation was due to terminate in 1940. Thanks, however, to the satisfactory results already obtained, the Chinese Government has now decreed that all opium-poppy cultivation should cease as from the end of 1939, and we hope that this date will not have to be postponed. The Chinese Government has also decided that in all those areas recovered from the enemy, in which the latter has permitted opium-poppy

9

8

10 11

12 13

14 15

16

17 18

19

20 21

22

23

24

cultivation, such cultivation shall be prohibited forthwith. As in the past, inspectors will be sent to all places where cultivation has been prohibited, to satisfy themselves that no clandestine cultivation is being carried on. The progress achieved by the Chinese Government in its endeavours to suppress poppy cultivation is definitely encouraging, and constitutes an absolute proof that, if tackled with determination, the problem is not beyond solution. Fortunately, those provinces which have hitherto been the greatest opiumproducers to the south of the Great Wall have not been occupied by the enemy; and consequently it has been possible in those provinces to apply the plans for the suppression of opium-poppy cultivation according to schedule, and, in fact, even more rapidly than had been anticipated."

Continuing on page 37 of the printed copy, on the next page:

"Mr. Fuller (United States of America) made the following statement:

"With your indulgence, I shall first briefly summarise the information which I presented here last year in my statements of June 13th and 21st, 1938, in regard to the traffic in narcotic drugs in Manchuria and Jehol and in other parts of China in 1937 and

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

.

23

24

1938, in which I stressed the following points:

"1. With regard to Manchuria and Jehol, there

had been no real or effective improvement during the preceding year in the conditions obtaining in respect of addiction, illicit import, illicit traffic or opium production.

"2. In China between the Yellow River and the Great Wall, which has for some time past been controlled by the Japanese northern army, conditions were worse than they were the year before. Legal control lapsed in August 1937, and the illicit traffic increased. The Peiping 'Provisional Government' took a hand in the narcotics situation soon after the establishment of that regime. By its Order No. 33 of February 24th, 1938, it rescinded the Chinese Central Government's provisional anti-opium and anti-narcotic laws and regulations; and all persons who were being detained under those laws and regulations were promptly released from custody. The narcotics situation had become progressively worse.

"3. In a period of fifteen months, 650 kilogrammes of heroin had been exported to the United States from the Japanese Concession in Tientsin by one group operating in this trade there. This amount was sufficient, as you will recall, to supply some 10,000

addicts for a year.

"4. In Shanghai, control appeared to have broken down completely, except in the French Concession and in the International Settlement.

"5. Huge quantities of Iranian opium were reliably reported to have arrived in North China, in Shanghai and in South China, consigned to Japanese firms and intended, in some instances, for Japanese army officers, while further large consignments were en route to those destinations under similar auspices, and still others were on order.

"In those statements, I suggested that the Japanese representative ask his Government to investigate and report under the terms of Article 23 of the Convention of 1931 for limiting the Manufacture and regulating the Distribution of Narcotic Drugs on the facts therein brought to light. I regret to have to state that the Japanese Government has not yet submitted a report."

THE PRESIDENT: There is another marked passage on page 41. Are you going to read that?

MR. SANDUSKY: If your Honor please, the section outlined on page 41 of the report has particular relevance to a point that will arise later; and with permission, it is desired to read it in

connection with a discussion of that particular point. THE PRESIDENT: We will recess now for fifteen minutes. (Whereupon, at 1445, a recess was taken until 1500, after which the proceedings were resumed as follows:)

Q'

DIRECT

G	1	MARSHAL OF THE COURT: The International
r	2	Military Tribunal for the Far East is now resumed.
e n	3	THE PRESIDENT: Mr. Sandusky.
b e	4	MR. SANDUSKY: The prosecution now desires
r	5	to call as its next witness OIKAWA, Genshichi.
g		
&	6	GENSHICHI OIKAWA, called as a witness
Barto	8	on behalf of the prosecution, being first duly
	9	sworn, testified through Japanese interpreters
n	10	as follows:
	11	DIRECT EXAMINATION
	12	BY MR. SANDUSKY:
	13	Q Would you please state your full name?
	14	A OIKAWA, Genshichi.
	15	Q Do you speak English?
,	16	A No, I do not.
	17	Q Do you read English?
	18	A No, I cannot.
	19	Q I show you a prosecution document 9575 in
	20	the Japanese language and ask you if this is the affi-
	21	davit you made.
	22	A Yes, it is my affidavit.
	23	Q Is the signature that appears on the document
	24	your signature?
	25	A Yes, it is my signature.

6

DIRECT

1	Q Before you signed an English version of
2	this Japanese document, was it translated to you in
3	Japanese?
4	A Yes, it was read to me.
5	MR. SANDUSKY: May it please the Tribunal,
6	I offer in evidence document 9575, the affidavit of
7	OIKAWA, Genshichi.
8	THE PRESIDENT: Admitted on the usual
9	terms.
10	CLERK OF THE COURT: Prosecution's document
11	No. 9575 will receive exhibit No. 389.
12	(Whereupon, prosecution's exhibit
13	No. 389 was received in evidence.)
14	MR. SANDUSKY: (Reading)
15	"The United States of America, et al
16	vs
17	"ARAKI, SADAO, et al
18	"I, OIKAWA, Genshichi, do swear on my
19	conscience that the following is true:
20	"From April 1940 until April 1941, I was the
21	Vice President and Director of the Political Affairs
22	Bureau of the KO-A-IN Branch Office at Shanghai, China
23	and from April 1941 until November 1942, I was
24	Director of the Political Affairs Division and Presi-
25	dent of General Affairs of the Central Office of the

KO-A-IN in Tokyo. The KO-A-IN was established in December 1938, with the head office in Tokyo and four branch offices, respectively, at Shanghai, Peiping, Amoy and Kalgan. There were two sub-branch offices, one each at Canton and Tsingtao. The Tokyo office had four divisions, the Political Division, Economical Division, Cultural Division and Technical Division. The local branch offices had three departments, political, economic and cultural departments. The Premier was the president of the KO-A-IN and the Ministers of War, Navy, Finance and Foreign Affairs were the vice presidents. The other ministries were represented on the Board by personnel other than the minister himself. The purpose of the KO-A-IN was to improve the economic, cultural, political and technical situations in China. When a decision was made by the Central Office of the KO-A-IN it was communicated to the branch offices, who in turn would take the matter up with the local Chinese government. When an agreement had been reached in the manner of effecting the decisions made in Tokyo, the technical advisors on the staff of the KO-A-IN would then aid the local Chinese government to carry out the decision. After the establishment of the Nanking government in November 1940, negotiations were handled by the Foreign Ministry and

13

14

15

16

17

18

19

20

21

22

23

24

the Chinese government. Since the Foreign Ministry did not have any technical experts, the KO-A-IN continued to function as it had before the establishment of the Nanking government in effecting the decisions made in Tokyo.

"Between the branch offices of the KO-A-IN and the local military commander there were estbalished liaison officials. When I was in the Shanghai office of the KO-A-IN, decisions made in Tokyo were communicated to Shanghai for execution in the Shanghai area. Decisions relating to the military were in addition communicated through military channels to the local military commander. As a result, there was interference between the KO-A-IN and the military. Local military commanders had as part of their staff a Special Service organization for effecting economic, political and cultural matters.

"My knowledge of opium and narcotics is limited to the production of opium in Mongolia. The chief revenue income available to the Mongolian government resulted from the production of opium in that area. The KO-A-IN studied the needs of opium in different parts of China and arranged for the distribution of the opium from Mongolia to North China, Central China and South China. This distribution was done through

Chinese organizations.	
	(Signed)
	"OIKAWA GENSHICHI

1	The defense may cross-examine.
2	
3	MR. SHIOHARA: I am counsel SHIOHARA.
4	CROSS-EXAMINATION
5	BY MR. SHIOHARA:
6	Q Before the establishment of the Mongolian
7	Government and after, how did the production of
8	opium differ?
9	Please answer.
10	THE PRESIDENT: (To the witness) Put on
11	the headphones.
12	(To the Marshal of the Court) Show him how
13	to put them on, Captain.
14	Q (Continuing) Shall I repeat my question?
15	A I can understand without putting these ear-
16	phones on. I know nothing : t this problem.
17	Q Did you notice any signs of the Japanese
18	Government instructing or guiding the Menchiang
19	Government in encouraging that government to produce
20	more opium?
21	THE MONITOR: After the word "encouraging"
22	I would like to correct: Encouraging the people to
23	smoke opium.
24	A They had never encouraged such a thing.
25	Q Did the government adopt a laissez faire

2

3

1.

6

C

9

10

11

12

13

14

15

16

17

policy, or did it take a policy whereby the use of opium would gradually be decreased?

A They adopted a policy of gradually decreasing the use of opium and, if possible, of completely suppressing it.

Q In the policy they have adopted, namely, to cut down gradually the use of opium among the populace, the basis for this policy was to cut down in degrees so that the peace and order and the health of the people would not be impaired thereby.

THE MONITOR: Slight correction: Wasn't that the ground for this adoption of this gradually decreasing policy that, according to the custom of Chinese people, if the suppression of the use of opium was effected, it might cause a grave program from the point of view of maintaining peace and order?

A The basis of the government's policy was just as you said.

Q On the surface it appeared that the users of opium increased. However, can you confirm or deny whether this so-called increase was due to the fact that those who clandestinely used this drug gradually used this drug in an open manner?

A I believe that the actual number of opium users has decreased -- gradually decreased.

10

20

21

22 23

24

1	
-	Q One more question, please: Am I to under-
	stand that such was the condition in Northern China,
-	Central China and South China?
1	A I believe that it is as you say.
1	MR. SHIOHARA: That is all.
1	
	DR. UZAWA: If the Tribunal please, Dr.
1	TAKAYANAGI, counsel for the defendant SUZUKI, has
-	been unable to attend today as he was a member of
-	the Constitution Committee of the House of Peers; and,
-	in his place, if the Court permits, the Associate
	Counsel, KAINO, would like to be permitted to cross-
	examine.
	THE PRESIDENT: Yes, he may appear in the
	place of the doctor.
-	CROSS-EXAMINATION (Continued)
	BY MR. KAINO:
	Q What department of the Ko-A-In in Tokyo
1	looked after the affairs of opium?
-	A It is the Economics Department.
-	Q You have testified that the Ko-A-In adopted
-	a policy of gradually decreasing the use of opium.
-	Did it take any concrete steps in line with this
1	policy?

A Appropriate policies were taken,

Q And what were these policies?

A The chief administrator of the Ko-A-In, namely, Heisuke YANAGAWA, and the head of the Political Department, Teiichi SUZUKI, had adopted this policy of gradual decrease. I believe it was in 1940 that an injection called the "I.M.," which was specifically manufactured to cure opium addicts, were discovered, and this injection was used in order to carry out their policy of gradually decreasing the use of opium.

THE MONITOR: Correction, please: I believe it was 1940 when YANAGAWA, Heisuke was the
head of Ko-A-In, and SUZUKI, Teiichi was the chief
of Political Affairs Department of the same organization. Medicine called "I.M." was invented which
was supposed to cure opium addicts.

Q Did YANAGAWA Heisuke and SUZUKI, Teiichi make use of the services of the inventor of this medicine, Dr. SAKAI, Yoshio?

A Dr. SAKAI was dispatched to Nanking as an adviser to that government.

THE MONITOR: To the National Government of Nanking.

A (Continuing) In China, in the Chinese hospitals, the doctor used this medicine, and he

used this medicine on the patients, and he obtained very good results.

Q Did the Ko-A-In greatly aid Dr. SAKAI's efforts?

A The Ko-A-In not only gave financial help to Dr. SAKAI, it also established research institute in order to complete or further the investigation of Dr. SAKAI in producing this remedy.

THE MONITOR: In addition, Ko-A-In established a research institute known as Ko-A Medico
Research Institute to further completion of this medicine.

Q Was Dr. SAKAI's medicine, I.M., effective in curing opium addicts?

MR. SANDUSKY: The witness has not been qualified as a medical expert. There is nothing in his examination in chief that would qualify him to pass upon the efficacy of a cure for opium addiction. I think his opinion would be incompetent in this respect.

THE PRESIDENT: You overlook the fact that he can speak from hearsay. If he would like to say any doctor told him so, he may give that evidence. You see, it is relevant to the last statement in his affidavit.

*

Did any doctor say -- tell you that this medicine was effective? Concerning Dr. SAKAI's activity, I person-ally guided and aided him in this respect. There-fore, concerning this injection called "I.M.," I know the complete -- the whole detail. THE MONITOR: As I received reports in full details.

W olff & Y ellden

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

Q If you have any further knowledge concerning Dr. SAKAI, please tell us of it?

THE PRESIDENT: Did the Ko-A-In distribute the medicine as well as opium?

THE WITNESS: It distributed that medicine.

Q When you were in Shanghai did you know an opium merchant by the name of SATOMI, Hajime?

. A I met him once and talked with him for a few minutes.

Q Did you talk to him about the opium problem?

A As I met him for some other matter, I did not talk to him about matters concerning opium.

Q Then the Shanghai 14aison office of the Ko-A-In had nothing to do with Dr. -- with Mr. SATOMI as far as your knowledge is concerned -- as any knowledge gained in the line of your official duties is concerned?

A During my tenure of office I had no association whatseever with him.

Q You have stated that even after the opening of the Shanghai liaison office of the Ko-A-In the army continued to maintain a Special Service Mission; is that correct?

A Special Service Mission existed.

Was it called the Special Service Mission

19

20 21

22

23

even then?

THE MONITOR: I would like to correct
"Special Service Mission" to read "Special Service
Organization."

A It was called the Special Service Organ.

Q What did this Special Service Organization do?

A It had much to do with the guidance and execution of policies pertaining to political economics and culture in the vicinity of Shanghai.

Q Have the ideas of the Ko-A-In ever clashed with those of the Special Service Organization?

A Before I took that -- before I occupied that post I did hear that there were such clashes. However, after I took up my post there, there were no such clashes.

THE MONITOR: The relations were very smooth.

Q Were there Special Service Organizations in cities other than Shanghai after the establishment of the Ko-A-In?

A There were offices in the large cities. In every large city and in the smaller cities in the hinterland there were also offices.

THE MONITOR: There were many such offices not only in large cities but even in the remote towns

in the countryside.

MR. LEVIN: Mr. President.

THE PRESIDERT: Mr. Levin.

MR. LEVIN: Although Professor KAINO is an associate of mine, may I announce there will be no further cross-examination of this witness by the defense.

THE PRESIDENT: Yes.

There will be no re-examination?

MR. SANDUSKY: May it please the Tribunal, three questions, I think, may clarify some of the answers of the witness.

REDIRECT EXAMINATION

BY MR. SANDUSKY:

Q Mr. Witness, was Dr. SAKAI's medicine to cure opium and drug addicts approved by the Japanese medical profession?

MR. LEVIN: Mr. President, we would like to object to that question on the ground that it is not proper redirect examination.

THE PRESIDENT: I cannot say that it does not arise out of the cross-examination; nevertheless, it misses the point, as far as I am concerned. The witness said that his society did distribute that medicine, for what it was worth.

540

9

1

2

3

1.

5

7

0

10

11

13

14

15

16

19

10

20

22

23

MR. LEVIN: That is the point of my objection, Mr. President.

THE PRESIDENT: That ought to be cleared up.

MR. SANDUSKY: Mr. President, may it be suggested that the medicine distributed was not perhaps a proper medicine and--

THE PRESIDENT: The merits of the medicine are beside the point entirely. The question is, is this a credible witness or is he speaking about some incredible society? Those are the points.

MR. SANDUSKY: There will be no mode redirect examination, your Honor.

THE PRESIDENT: Well, that is a pity. I think that we should take a hand.

MR. SANDUSKY: Sir, it is felt that some of the evidence that may be considered as at all damaging is amply cared for in future evidence that will be presented to the Tribunal. This witness was presented by the prosecution for the principal point of indicating the organizational structure of the Ko-A-In organization, which later figures quite prominently in the evidence.

THE PRESIDENT: On the point of distribution of opium by the society that he speaks of, you do not ask us to accept him as a credible witness? It is an

extraordinary situation if you ask us to accept him as a credible witness as to part of his testimony but not as to the balance.

MR. SANDUSKY: Your Honor, the affidavit of

MR. SANDUSKY: Your Honor, the affidavit of the witness indicated that his knowledge of opium was limited to general knowledge that revenue in Mongolia came largely from opium. He was not qualified or offered as a general expert on opium distribution. He did not testify --

THE PRESIDENT: There is a shorter answer.

The defense have not challenged his evidence on the constitution of his society.

That will do. Take him out of the box.

(Whereupon, the witness was excused.)

MR. SANDUSKY: Your Honor, inasmuch as various documents to be presented later show several translations of the term "Ko-A-In", it is requested that the court interpreters or arbiters indicate for the record the possible English translations of the term "Ko-A-In."

THE PRESIDENT: Read that question out. I cannot understand it.

(Whereupon, the last statement of Mr. Sandusky was read by the official court reporter.)

THE PRESIDENT: That is a matter for evidence.

We cannot get our interpreters to interpret that term.

It is a matter of evidence.

MR. SANDUSKY: May it please the Tribunal, the prosecution now desires to quote further from prosecution's document No. 1045, which was introduced this morning as exhibit No. 382. We may quote from section four on page three of that document.

THE PRESIDENT: Yes.

MR. SANDUSKY: In the middle of page three: (Reading)

"Section 4. The Opium Control System in China.

"The National Government issued its Laws for the Prohibition of Smoking in 18th year of the Republic (1929), (issued on and effective as from 25 July, 1929; revised issue effective from 16 March, 22nd year of the Republic (1933)), and since then, from the point of opium control, has adopted a policy of complete prohibition. But in the areas occupied by Japanese troops since the outbreak of this Incident, the smoking of opium has been recognized on certain conditions in accordance with individual local circumstances, although a policy of complete prohibition of narcotics generally has been universally enforced.

In some districts, however, measures of control have

been established and put into force, while elsewhere provisional laws based on the Prohibition Laws of the National Government mentioned above have been enforced. There is no unified system of control working yet.

"(1) North China.

- "(a) The Temporary Government has had discussions at Peiping on 28 April 1939 with the North China Liaison Section of the Asia Development Board on the drafts of both the Law for the Prohibition of Smoking and the Regulations for its enforcement in North China, with a view to a uniform system of opium control in North China. But they have not yet come into effect.
- "(b) At Tsingtao, the use of opium had hitherto been controlled by the Tax Office's Detailed Regulations for the Prohibition of Smoking, though the old special market district of Tsingtao had been placed in an anomolous position as an area of strict Prohibition by its own special circumstances. In July 1934 the Investigation Committee for the Prohibition of Smoking in Tsingtao Special City was established as a control organization and on August 1 of the same year the provisional regulations for the investigation of the Prohibition of Smoking were enforced.
 - '(c) In Chinan the Provisional Regulations of

the Druggists' Trade Association Union of Chinan City were issued on January 26, 1939, and on the same day the Trade association was established.

"(d) In Tientsin the Provisional Rules of the Control Office for restricting the circulation of drugs has been in operation since January 1938, in accordance with the Provisional Rules of Tientsin Tax Collecting Office for the Investigation for the Prohibition of Smoking."

If it please the Court, I shall not read the similar data with respect to Central China, Hankow, South China.

THE PRESIDENT: What about Mongolia? Did you overlook Mongolia?

MR. SANDUSKY: I beg your pardon?

THE PRESIDENT: Did you overlook Mongolia?

MR. SANDUSKY: No, or Mongolia.

I have avoided reading the following portions, your Honor, since the purpose of the document was simply to show that the Government -- the Japanese Government -- at Cabinet level was kept informed as to opium control -- opium and narcotic control -- activities in all parts of China. There was constant liaison and complete information.

The prosecution next offers document No. 9514,

which is a report from the Treasury Attache at Shanghai, dated June 3, 1940.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 9514 will receive exhibit No. 390.

(Whereupon, prosecution's exhibit No. 390 was received in evidence.)

MR. SANDUSKY: (Reading) "Opium Cultivation in Chahar and Suiyuan. * * * But in 1936 when the troops arrived from Manchukuo to impose Japanese advisors (Ku-wen) on every official (Hsien-chang), the cultivation of the poppy was introduced everywhere. In the beginning there was no strict sanction imposed but there was moral pressure to induce the peasants to fall in line. There were then many exceptions, especially among Catholics, because it was prohibited by their conscience. Last year the pagans themselves were in favor of suppressing the poppy in 1940 because they had to sell the drug to the authorities at a very low price. As a result, the authorities have recently (spring of 1940) obliged all the peasants, including the Catholics, to cultivate the poppy on at least eight mow out of every hundred mow of their land, and all were forced to obey. (1 mow equals 1/6 acre). M. R. Nichelson, Treasury Attache." THE PRESIDENT: I suppose the Christian population is infinitesimal and these exceptions do not amount to anything and are not worth mentioning.

MR. SANDUSKY: The prosecution next offers document No. 9517, a report from the Treasury Attache at Shanghai, dated May 9, 1936.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 9517 will receive exhibit No. 391.

(Whereupon, prosecution's exhibit
No. 391 was received in evidence.)

MR. SANDUSKY: (Reading) "Heroin Manufacture in Chahar and Jehol. * * *

"Following the Manchurian Incident, the
Four Eastern Provinces were lost in succession and
finally Tang was forced to quit his post. Consequently,
the heroin factory was taken over by a Japanese merchant,
Sakata Kumi. At the same time the Taiman Kosi Company
was organized for buying opium. Not only the opium of
Jehol was pought in great amounts but large quantities
of opium from Kansu, Suiyuan, Chahar and Shensi were
also purchased. Poppy seeds were distributed among
the peasants who were forced to grow them. The amount
of opium and heroin production in Jehol has now increased three to four times as compared with figures

22 23

of years past. The heroin made in Jehol is exported for sale in Dairen, Tientsin and Shanghai.

"Since the invasion of the six hsien of
North Chahar by Japanese troops, Sakata Kumi has set
up a branch of his company at Kalgan. The new branch
has 170 workers and can produce eighty packages of
heroin daily, each package having a net weight of
eighteen taels and a value of 600 dollars. The capital
of the Kalgan Branch is placed at \$100,000 with ten
shares of \$10,000 each. An extra share has been
presented to the Japanese Consulate. * * *

"An analysis of opium from Shensi, Kansu, Suiyuan, Jehol and Chahar has shown that of Kansu to be the most suitable for making heroin because of its good flavor, cheap price and capacity to yield a greater amount of heroin. The opium of Shensi and Suiyuan are also of good flavor, but it contains less heroin constituency than Kansu opium. The price of Chahar and Jehol opium prevents any wide use of it for manufacturing heroin. Opium of the other three provinces is so often mixed with other elements that the manufacturer must examine it before purchase is made."

That concludes the reading of that document.

THE PRESIDENT: It is four o'clock. We will adjourn now until half-past nine tomorrow morning.

(Whereupon, at 1600, an adjourn-ment was taken until Wednesday, 4 September, 1946, at 0930.)